



July 4, 2022

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Fort
Mumbai 400 001
Scrip Code No. 506076

Symbol: GRINDWELL

Dear Sir/Madam,

Sub: Notice of the Annual General Meeting ("AGM") and Annual Report 2021-22

Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time please find enclosed the Notice convening the 72nd AGM of Members and the Annual Report for the financial year 2021-22, which will be circulated to the Members through electronic mode. The 72nd AGM will be held on Friday, July 29, 2022 at 3:00 p.m. IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

The Company has engaged the services of KFin Technologies Limited to conduct the AGM through VC/OAVM and providing e-Voting facility to its Members. Members holding shares either in physical form or dematerialised form, as on the cut-off date i.e. Friday, July 22, 2022, may cast their votes electronically. The remote e-Voting period commences from (9.00 a.m. IST) on Tuesday, July 26, 2022 and ends at (5.00 p.m. IST) on Thursday, July 28, 2022.

The Notice and the Annual Report of the Company will be made available at Company's website, www.grindwellnorton.co.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of KFin Technologies Limited ("KFintech") at <https://evoting.kfintech.com>.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For **Grindwell Norton Limited**

K. Visweswaran
Company Secretary
Membership No. A16123
Encl: as above

Cc:

1. National Securities Depository Limited
2. Central Depository Services (India) Limited
3. TSR Consultants Private Limited

NORTON

GRINDWELL NORTON LTD.

**ANNUAL REPORT
2021-2022**

**GROW &
IMPACT**



TEN YEAR CONSOLIDATED FINANCIAL HIGHLIGHTS

(₹ Lakhs)

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue from Operations (Net) [^]	91539	92298	108433	113537	126336	143097	159806	157957	163792	201276
Profit Before Interest and Tax [§]	13853	12495	15671	16351	18172	22900	26194	24710	32062**	40001**
Profit After Tax [§]	9715	8442	10419	10638	12089	15089	16872	18389	23774**	29508**
Share Capital	2768	2768	2768	2768	5536	5536	5536	5536	5536	5536
Reserves and Surplus *	48487	52670	58480	73549	83766	93516	104256	113197	130947	151310
Total Debts	2237	1641	1491	1517	776	4	0	0	0	0
Net Fixed Assets *	38512	37696	36360	36405	37434	36672	38804	41277	38496	44179
Net Working Capital [¶]	14107	18520	25597	32307	41348	48336	57040	64659	81137	89672
Earnings Per Share (₹) #	8.79	7.58	9.32	9.50	10.78	13.52	15.11	16.48	21.60	26.70
Dividend Per Share (₹) #	3.25	3.25	3.25	3.25	4.00	5.00	6.00	7.50	9.50	12.00
Book Value Per Share (₹) * #	46.29	50.07	55.32	68.93	80.66	89.46	99.16	107.24	123.27	141.66

KEY RATIOS

Profit Margin (%) (Net)	15.13	13.54	14.45	14.59	14.38	16.00	16.40	15.60	19.57	19.87
Asset Turnover (Net)	1.60	1.50	1.70	1.45	1.40	1.43	1.44	1.32	1.19	1.27
Return on Capital Employed (%)	24.87	20.92	23.93	20.11	19.50	22.80	23.60	20.60	23.28	25.32
Current Ratio	1.63	1.80	1.91	2.23	2.58	2.65	2.98	2.89	2.86	2.86
Dividend Payout Ratio (incl tax)	43%	51%	43%	43%	46%	45%	48%	45%	44%	45%

Figures re-cast wherever necessary

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

[§] Without Other comprehensive income (w.e.f FY 2015-16)

* Without Revaluation Reserve except upto FY 2014-15. Right of use Assets under Ind AS 116 included from 2019-20 onwards.

[¶] Net working capital includes cash and cash equivalents and Mutual Fund Investments

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

** Includes Dividend from SGIPL ₹ 285 Lakhs

BANKERS

Standard Chartered Bank
HDFC Bank
ICICI Bank

Statutory Auditors

M/s. Price Waterhouse Chartered
Accountants LLP

Registrars & Transfer Agents

TSR Consultants Private Limited
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083
Telephone: + 91 22 6656 8484
Fax: + 91 22 6656 8494
E-mail id: csg-unit@tcplindia.co.in
Website: www.tcplindia.co.in

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 21 02

E-mail Id

sharecmpt.gno@saint-gobain.com

Website

www.grindwellnorton.co.in

Corporate Identity Number

L26593MH1950PLC008163

Factories

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

DIRECTORS

Mr. Keki Elavia
(Chairman)

Dr. Archana Hingorani

Mr. Anand Mahajan

Mr. David Molho

Mr. Subodh Nadkarni

Mr. Sreedhar Natarajan

Mr. Laurent Tellier

Mr. B. Santhanam
(Managing Director)

Mr. Krishna Prasad

MANAGEMENT COMMITTEE

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

Mr. Deepak Chindarkar
(Finance & IT)

Mr. Hari Singudasu
(Abrasives)

COMPANY SECRETARY

Mr. K. Visweswaran

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SAINT-GOBAIN

NOTICE

Notice is hereby given that the 72nd Annual General Meeting (“AGM”) of the Members of Grindwell Norton Limited will be held on Friday, July 29, 2022 at 3:00 p.m. IST through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon; and,
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year ended March 31, 2022.
3. To appoint a Director in place of Mr. Laurent Tellier (Director Identification No. 08587279), who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Statutory Auditor of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and Rules framed thereunder, as amended or re-enacted from time to time, and pursuant to the recommendation of the Audit Committee of the Company, M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. I 04607W / WI 00166), be and is hereby appointed as the Auditors of the Company in place of the retiring Auditors, M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016), to hold office for a period of five (5) consecutive years from the conclusion of 72nd Annual General Meeting (“AGM”) of the Company, until the conclusion of 77th AGM of the Company to be held in the year 2027 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

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

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

“RESOLVED THAT in accordance with the provisions of Section 197 and other applicable provisions, if any of the Companies Act, 2013 and Article 116 (2) of the Articles of the Association of the Company, the Non-Whole-Time Directors (excluding the Directors who are nominees of Compagnie de Saint-Gobain or its subsidiaries) be paid commission to be divided amongst them in such a manner as the Board of Directors (“Board”) may from time to time determine based on the recommendation from Nomination and Remuneration Committee of such sum not exceeding 1% of the net profit of the Company computed in the manner prescribed under the provisions of the Companies Act, 2013 for a period not exceeding five (5) years commencing from April 1, 2023.

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

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

6. **Ratification of Remuneration to Cost Auditor of the Company**

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended or re-enacted from time to time, the remuneration of ₹ 2,00,000/- (Rupees two lakhs only) plus taxes and out of pocket expenses at actuals payable to M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No. 000065), who are appointed by the Board of Directors as Cost Auditor of the Company to conduct the audit of the cost records for the financial year ending March 31, 2023, be and is hereby ratified and confirmed.



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

Order of the Board of Directors

K. VISWESWARAN
Company Secretary

Bengaluru, May 6, 2022

Registered Office:

5th Level, Leela Business Park

Andheri-Kurla Road, Marol, Andheri (East)

Mumbai 400 059

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

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

Corporate Identity Number: L26593MH1950PLC008163

NOTES:

- (a) Pursuant to the Circulars issued by the Ministry of Corporate Affairs (“MCA”) vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021 and 2/2022 dated May 5, 2022 (“MCA Circulars”) and Circular no. SEBI/HO/CFD/CMD1/CIR/P/ 2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020, January 15, 2021 and May 13, 2022, issued by the SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of Members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
- (b) The Statement pursuant to Section 102(1) of the Companies Act, 2013 (“Act”), in respect of business set out in Item No. 5 & 6 of the accompanying Notice and the relevant details as required under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at the AGM are also annexed.
- (c) Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by Members during the AGM. All documents referred to in the Notice and Explanatory Statement will also be available for electronic inspection without any fees by the Members from the date of circulation of this Notice up to the date of AGM i.e. Friday, July 29, 2022. Members can write to the Company Secretary at sharecmpt.gno@saint-gobain.com.
- (d) In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/DPs. Members may note that this Notice and Annual Report 2021-22 will also be available on the Company’s website, www.grindwellnorton.co.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of KFin Technologies Limited (“KFinTech”) at <https://evoting.kfintech.com>.
- (e) The Company has engaged the services of KFin Technologies Limited as the authorized agency for conducting the AGM through VC/OAVM and providing e-Voting facility.
- (f) Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- (g) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

- (h) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 23, 2022 to Friday, July 29, 2022 (both days inclusive).
- (i) If the Dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on or from Monday, August 01, 2022, as under:
 - i. to all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited (“NSDL”) and Central Depository Service (India) Limited (“CDSL”) as of the close of business hours on Wednesday, July 20, 2022.
 - ii. to all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Wednesday, July 20, 2022.
- (j) As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to dematerialised form. Members can contact the Company or Company’s Registrars and Transfer Agents, TSR Consultants Private Limited (“TCPL”) for assistance in this regard.
- (k) Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc., to their Depository Participant(s) (“DP”). Changes intimated to the DP will then be automatically reflected in the Company’s records which will help the Company and its Registrars and Transfer Agents, TCPL to provide efficient and better services.

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

- (l) The Securities and Exchange Board of India has mandated submission of Permanent Account Number (“PAN”) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to their DP with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to TCPL.
- (m) Members holding shares in physical form in identical order of names, in more than one folio are requested to send to the Company or TCPL, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be issued to such Members after making requisite changes thereon.
- (n) In case of joint holders, 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 at the AGM.
- (o) 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 on or before Thursday, July 28, 2022 through email on sharecmt.gno@saint-gobain.com, so that the information, to the extent practicable, can be made available at the AGM or the same will be replied by the Company suitably.
- (p) Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund (“IEPF”):

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

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

The unclaimed or unpaid final dividend for the financial year ended March 31, 2014, has been transferred to IEPF on August 30, 2021.

During the financial year 2021-22, 8,513 equity shares in respect of which dividend has not been claimed by the Members for seven consecutive years or more, have been transferred by the Company to IEPF. Details of shares transferred have been uploaded on the website of the IEPF as well as on the website of the Company, www.grindwellnorton.co.in.

The Company has uploaded the information in respect of unclaimed dividends, as on the date of last AGM i.e. July 28, 2021, on the website of the IEPF, www.iepf.gov.in and on the website of the Company, www.grindwellnorton.co.in.

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

The information in respect of the dividends are as follows:

Financial Year	Date of declaration of Dividend	Due date for transfer to IEPF
2014-15	August 4, 2015	September 2, 2022
2015-16	March 16, 2016	April 15, 2023
2016-17	July 26, 2017	August 26, 2024
2017-18	July 26, 2018	August 25, 2025
2018-19	July 25, 2019	August 26, 2026
2019-20	July 24, 2020	August 26, 2027
2020-21	July 28, 2021	August 27, 2028

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

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

However, you can claim from the IEPF Authority the unclaimed dividend amount transferred to IEPF by submitting an online application in the prescribed web Form IEPF-5 available on the website, www.iepf.gov.in and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents enumerated in the Form IEPF-5 to the Company. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

- (q) To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with TCPL /DPs. In compliance with the Circulars, the Annual Report 2021-22, the Notice of the 72nd AGM, and instructions for e-Voting are being sent only through electronic mode to those members whose email addresses are registered with the Company/DP(s).
- (r) Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company/ TCPL (if shares held in physical form).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to csg-exemptforms2122@tcplindia.co.in by 11:59 p.m. IST on Wednesday, July 20, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF/JPG Format) by e-mail to sharecmpt.gno@saint-gobain.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on Wednesday, July 20, 2022.

- (s) Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

(t) Instructions for e-Voting and joining the AGM are as follows:

AGM PARTICIPATION AND VOTING THROUGH ELECTRONIC MEANS

Instructions for e-Voting:

- I. In compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (“SS-2”) issued by The Institute of Company Secretaries of India, the Members are provided with the facility to cast their vote electronically, through the e-Voting services (“remote e-Voting”) provided by KFintech on all the resolutions set forth in this Notice.
- II. The remote e-Voting period shall commence on Tuesday, July 26, 2022 at 9:00 A.M. IST and ends on Thursday, July 28, 2022 at 5:00 P.M. IST. During this period Members of the Company holding shares either in physical form or in dematerialised form as on the cut-off date, Friday, July 22, 2022 may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by KFintech after Thursday, July 28, 2022 at 5:00 P.M. IST. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM. A Member will not be allowed to vote again on any Resolution on which vote has already been cast.
- III. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. However, if a person is already registered with KFintech for remote e-Voting then the existing User-ID and password can be used for casting the vote.
- IV. Members who have cast their vote by remote e-Voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote on such resolution again.
- V. **The procedure and instructions for remote e-Voting are as follows:**

Login method for remote e-Voting for Individual shareholders holding securities in demat form

Pursuant to SEBI circular no. SEBI/HO/ CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Individual Shareholders holding securities in demat form with NSDL		Individual Shareholders holding securities in demat form with CDSL	
1.	User already registered for IDeAS facility	1.	Existing user who have opted for Easi/Easiest
I.	URL: https://eservices.nSDL.com	I.	URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com
II.	Click on the “Beneficial Owner” icon under ‘IDeAS’ section	II.	Click on New System Myeasi
III.	On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”	III.	Login with user id and password
IV.	Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period	IV.	Option will be made available to reach e-Voting page without any further authentication
		V.	Click on e-Voting service provider name to cast your vote

Individual Shareholders holding securities in demat form with NSDL		Individual Shareholders holding securities in demat form with CDSL	
2. User not registered for IDeAS e-Services		2. User not registered for Easi/Easiest	
I.	To register click on link: https://eservices.nsdl.com	I.	Option to register is available at https://web.cdslindia.com/myeasi/Registration/ EasiRegistration
II.	Select "Register Online for IDeAS"	II.	Proceed with completing the required fields.
III.	Proceed with completing the required fields		
3. User not registered for IDeAS e-Services		3. By visiting the e-Voting website of CDSL	
I.	To register click on link: https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp	I.	URL: www.cdslindia.com
II.	Proceed with completing the required fields	II.	Provide demat Account Number and PAN No.
		III.	System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account
4. By visiting the e-Voting website of NSDL		IV.	After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress
I.	URL: https://www.evoting.nsdl.com/		
II.	Click on the icon "Login" which is available under 'Shareholder/Member' section		
III.	Enter UserID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen		
IV.	Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e		
V.	Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period		

Individual Shareholders (holding securities in demat form) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-83

Login method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat form and shareholders holding securities in physical form

- Open your web browser during the remote e-Voting period and navigate to "<https://evoting.kfintech.com>".
- Enter the login credentials (i.e., User-id and Password) mentioned in the email. Your Folio No./DP ID No./Client ID No. will be your User-ID.

User-ID For Members holding shares in Demat Form:-

For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID

User-ID For Members holding shares in Physical Form:-

EVEN (E-Voting Event Number) followed by Folio No. registered with the Company

Password will be your unique password which is sent via e-mail along with the Notice of AGM.

- c. After entering these details appropriately, click on “LOGIN”.
 - d. Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). Kindly note that this password can be used by the Demat holders for voting in any other Company on which they are eligible to vote, provided that the other company opts for e-Voting through KFinTech e-Voting platform. System will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - e. You need to login again with the new credentials.
 - f. On successful login, system will prompt you to select the ‘EVENT’ and click on ‘Grindwell Norton Limited’.
 - g. If you are holding shares in Demat form and had logged on to “<https://evoting.kfintech.com>” and have cast your vote earlier for any company, then your existing login ID and password are to be used.
 - h. On the voting page, enter the number of shares (which represents the number of votes as on cut-off date, Friday, July 22, 2022) under ‘FOR/AGAINST/ABSTAIN’ or alternatively you may partially enter any number in ‘FOR’ and partially in ‘AGAINST’, but the total number in ‘FOR/AGAINST’ taken together should not exceed your total shareholding. If the Member does not indicate either “FOR” or “AGAINST”, it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
 - i. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
 - j. You may then cast your vote by selecting an appropriate option and click on “Submit”.
 - k. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted all the resolution(s).
 - l. Once you ‘CONFIRM’ your vote on the Resolution whether partially or otherwise, you will not be allowed to modify your vote.
- VI. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to access the link <https://evoting.kfintech.com> and upload a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote and attend AGM. Also send these relevant documents to the Scrutinizer by e-mail to grindwell.scrutinizer@gmail.com.
- VII. The voting rights of the Members shall be in proportion to the number of shares held by them in the equity share capital of the Company as on the cut-off date being Friday, July 22, 2022.
- In case of joint holders, 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 at the AGM.
- VIII. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password” or “Physical User Reset Password” option available on <https://evoting.kfintech.com> to reset the password.
- IX. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and e-Voting user manual available at the download section of <https://evoting.kfintech.com> (KFinTech Website) or contact Mr. S.V. Raju, Deputy General Manager of KFin Technologies Limited, Selenium, Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032 or at einward.ris@kfintech.com and evoting@kfintech.com or call KFin’s toll free no. 1800 309 4001 for any further clarifications.

Instructions for attending AGM:

1. Members may access the platform to attend the AGM through VC/OAVM at <https://emeetings.kfintech.com> by using their remote e-Voting credentials. The link for the AGM will be available in the Shareholder/Members login where the “EVENT” and the “GRINDWELL NORTON LIMITED” can be selected. Please note that the Members who have not registered their e-mail

address or do not have the User-ID and Password for e-Voting or have forgotten the User-ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in this Notice. Further, Members can also use the OTP based login for logging into the e-Voting system.

If e-mail address or mobile number of the Member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.kfintech.com> the Member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.

2. Members who may want to express their views or ask questions at the AGM may visit <https://emeetings.kfintech.com> and click on the tab “Posting your Queries”, to post your queries in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall remain active during the remote e-Voting period.
3. Members who may want to express their views or ask questions at the AGM may visit <https://emeetings.kfintech.com> and click on tab “Speaker Registration” during the remote e-Voting period. Members shall be provided a ‘queue number’ before the AGM.

The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM. The window shall remain active during the remote e-Voting period.

4. Facility for joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM. Facility for joining AGM will be closed on expiry of 15 minutes from the scheduled time of the AGM.
5. Facility for joining the AGM through VC/OAVM shall be available for 1,000 Members on first-come-first-served basis. However, the participation of Members holding 2% or more shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first-come-first-served basis.
6. Members who may require any technical assistance or support before or during the AGM are requested to contact KFin Technologies Limited at toll free number 1800 309 4001 or write to them at evoting@kfintech.com.

General Instructions for best VC experience:

- a. **Members can participate in the AGM through their desktops/smartphones/laptops etc. However, for a better experience and smooth participation, it is advisable to join the meeting through desktops/laptops with Google Chrome/Safari/Firefox and high-speed internet connectivity.**
- b. **Please note that participants connecting from mobile devices or tablets, or through laptops via mobile hotspot may experience audio/video loss due to fluctuation in their respective networks. It is therefore recommended to use a stable Wi-Fi or LAN connection to mitigate any of the aforementioned glitches.**
- X. The Board of Directors have appointed Mr. P.N. Parikh (Membership No. FCS 327 CP 1228) or failing him Mr. Mitesh Dhaliwala (Membership No. FCS 8331 CP 9511) of Parikh & Associates, Practising Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-Voting process in a fair and transparent manner.
- XI. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast through remote e-voting) and make, not later than two working days of the conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- XII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company, www.grindwellnorton.co.in, and on the website of the KFinTech at <https://evoting.kfintech.com>. The results shall also be immediately forwarded to the Stock Exchanges, where the equity shares of the Company are listed.

In order to enable ease of participation of the Members, we are providing below the key details regarding the Annual General Meeting.

Sl. No.	Particulars	Details
1.	Date and Time of AGM	Friday, July 29, 2022 at 3:00 p.m. IST
2.	Link for live webcast of the AGM and for participation through VC/OAVM	https://emeetings.kfintech.com
3.	Link for remote e-Voting	https://evoting.kfintech.com

Sl. No.	Particulars	Details
4.	Username and Password for VC/OAVM	Members may attend the AGM through VC/OAVM by accessing the link https://emeetings.kfintech.com by using the login credentials. Please refer the instructions forming part of the Notice of AGM
5.	Helpline number for VC/OAVM participation and e-Voting	Contact KFin Technologies Limited at 1800 309 4001 or write to them at evoting@kfintech.com
6.	Cut-off date for e-Voting	Friday, July 22, 2022
7.	Time period for remote e-Voting	Tuesday, July 26, 2022 (9:00 a.m. IST) and ends on Thursday, July 28, 2022 (5:00 p.m. IST)
8.	Book closure dates	Thursday, July 21,(both days inclusive) 2022 to Friday, July 29, 2022
9.	Last date for publishing results of the e-Voting	Sunday, July 31, 2022

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:

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

At present the Non-Whole-Time Directors, except the directors who are nominees of Compagnie de Saint-Gobain (“CSG”) or its subsidiaries, are paid sitting fees of ₹ 50,000 for each of the meeting of Board meeting and ₹ 30,000 for each of the Committee meeting attended by them. In addition to that the Shareholders authorized payment of commission not exceeding 1% of the net profit of the Company under a Special Resolution at the 67th Annual General Meeting of the Company held on July 26, 2017 with effect from April 1, 2018.

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

The said Directors be paid commission, to be divided amongst them in such a manner as the Board of Directors may from time to time determine based on the recommendation from Nomination and Remuneration Committee of such sum not exceeding 1% of the net profit of the Company in such manner as prescribed under the Companies Act, 2013, for a period not exceeding five (5) years commencing from April 1, 2023.

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

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

Item No. 6:

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Rao, Murthy and Associates, Cost Accountants (Firm Registration No. 000065) as “Cost Auditor” of the Company, to conduct the audit of the cost records for the financial year ending March 31, 2023.

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

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 6 for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2023.

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

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

Order of the Board of Directors

K. VISWESWARAN
Company Secretary

Bengaluru, May 6, 2022

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

Item No. 3:

Name of the Director	Mr. Laurent Tellier
Director Identification Number	08587279
Date of Birth	April 17, 1978
Age	44 years
Date of first appointment on the Board	November 5, 2019
Qualifications	Degree in Mathematics and Economics from Ecole Polytechnique
Brief Resume including experience	Mr. Laurent Tellier has been associated with Saint-Gobain for more than one decade. He has held various senior and leadership positions in Saint-Gobain and presently, he is designated as CEO SG Surface Solutions Direction Development RHP.
Expertise in the specific functional role	General Management and various businesses of Saint-Gobain
Terms and Conditions of Appointment/ Re-appointment	As per Item No. 3 of the Notice, the approval of the Members is sought for his appointment as a Non-Executive Director of the Company, liable to retire by rotation.
Remuneration last drawn (including sitting fees, if any)	Nil
Remuneration proposed to be paid	No Remuneration is payable
Relationship with other Directors/Key Managerial Personnel	Not related to any Director/Key Managerial Personnel
Number of meetings of the Board attended during the year	5
Directorships held in other listed companies (excluding foreign companies and Section 8 companies) as on March 31, 2022	Nil
Memberships/Chairmanships of Committees of other listed companies (includes only Audit Committee and Stakeholders Relationship Committee) as on March 31, 2022	Nil
Number of equity shares held in the Company as on March 31, 2022	Nil

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 72nd Annual Report of the Company along with the audited financial statements for the year ended March 31, 2022.

FINANCIAL HIGHLIGHTS

(₹ crores)

	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Sale of Products (Gross)	1854.22	1493.32	1861.54	1498.76
Service & Other Operating Income	151.40	139.58	151.22	139.15
Revenue from Operations	2005.62	1632.90	2012.76	1637.92
Operating Profit	403.58	322.88	400.99	320.69
Interest	3.96	3.24	4.12	3.42
Profit before share of profit/(loss) from Join Venture	399.62	319.64	396.87	317.27
Share of profit/(loss) in Joint Venture	-	-	(0.98)	(0.07)
Provision for Tax	101.63	77.56	100.81	79.46
Profit for the year	298.00	242.07	295.08	237.74
Other Comprehensive Income (Net)	11.60	19.59	11.60	19.59
Total Comprehensive Income for the year	309.60	261.66	306.68	257.33
Less: Share of Minority Interest	-	-	(0.57)	(1.44)
Total Comprehensive Income attributable to owners	309.60	261.66	307.25	258.78

DIVIDEND

Your Directors are pleased to recommend for approval of the Members a dividend of ₹12/- per equity share of face value of ₹ 5/- each for the financial year ended March 31, 2022. The dividend on equity shares, if approved by the Members, would involve a cash outflow of ₹ 132.86 crores, as against the cash outflow of ₹ 105.18 crores in the previous year.

TRANSFER TO RESERVES

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

OPERATIONS

The recovery of growth of the Indian economy started in the second half of the financial year 2020-21 and continued during the financial year 2021-22. With ease of Covid restrictions and supply disruptions post the second wave of Covid, the output levels reached the pre-pandemic levels. India's GDP for the financial year 2021-22 is likely to end with a growth of 8.7% compared to a contraction of 7.3% witnessed in the financial year 2020-21. Third wave of COVID-19 and Russia-Ukraine conflict that started in last quarter of financial year had limited impact. The Industrial activity has remained positive during the financial year. The Index of Industrial Production (IIP), witnessed a growth of 12% in the financial year. The industrial recovery was fairly widespread. Reflecting this your Company's consolidated revenue from operations and operating profit increased by, 22.9% and 25.0% respectively.

Abrasives

The overall performance of the Abrasive business for the financial year 2021-22 was good. The business faced challenges in the first quarter due to disruptions caused by the second wave of Covid. The second and third quarter witnessed significant increase in input costs and the supply chain disruptions. Even though the availability of raw material eased during the last quarter of financial year the inflationary pressure continued. The improved price realization, gain in market share and continued control over costs helped the business grow the sales and operating profit by 22% and 39% respectively.

Ceramics and Plastics

The Performance Refractory business witnessed 35% increase in sales over 2020-21 mainly due to the increased demand from the end user industry. The substantial increase in profit was mainly due to improved realization and improved plant efficiencies. The Performance Plastics business had an excellent year with a significant increase in sales (domestic and, in particular, exports) and

operating profit. This was mainly due to the outstanding results of the Life Sciences segment. The revival of automotive business and the construction sector resulting in higher sales of bearings and composites. The SiC business witnessed significant growth in sales and operating profit mainly due to improved domestic demand led by the refractory industry. The inflationary pressure on the input cost was more than offset by the improved realization. The operations of your Company's subsidiary in Bhutan were continued to be impacted by the restrictions imposed by the Government to control COVID-19 and, as a result, there was a decline in production. Overall on a consolidated basis, the sales and operating profit of the Ceramics & Plastics segment increased by 31% and 36% respectively.

IT Services and Others

The captive IT development centre (INDEC) had a good year. The IT services segment witnessed an increase in revenue and profits in 2021-22.

SUBSIDIARY COMPANY/JOINT VENTURE/ASSOCIATE

The Company has one subsidiary in Bhutan, Saint-Gobain Ceramic Materials Bhutan Private Limited. In terms of sub-regulation (1) (c) of Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), it is not a material subsidiary. The operations of your Company's subsidiary in Bhutan was affected due to restrictions imposed by the Government for containing the spread of COVID-19.

The Joint Venture Company, SG Shinagawa Refractories India Pvt Ltd commenced the commercial production during the financial year 2021 and are in the process of stabilizing the operations.

Associate - The Company has invested in Cleanwin Energy Three LLP for a stake of 27.27% for purchase of wind power for its Mora unit. The power purchase will commence from FY 2022-23.

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 (incorporating the financial results of the subsidiary company and Joint Venture), which forms part of the Annual Report. A statement in Form AOC-1 containing salient features of the financial statements of the subsidiary company and Joint Venture are also included in the Annual Report. In accordance with the provisions of Section 136(1) of the Act, the Annual Report of the Company, containing therein the standalone and consolidated financial statements and audited financial statements of the subsidiary have been placed on the website of the Company, www.grindwellnorton.co.in.

FUTURE PROSPECTS

While the economy seems to be witnessing the recovery after leaving the worst of COVID pandemic behind, the global uncertainty created by the geo-political tensions has clouded the economic outlook. This may have short term impact on the growth, the impact on the long term will depend of how the conflict is contained. With the underlying strong economic fundamentals coupled with growth enhancing policy measures and infrastructure spending will accelerate economic growth. Your company's management will focus on growth led by new products and new markets. Your Company's capital expenditure programme aimed at building capacities and capabilities will help the company meet the increased demand. While the outlook for the short term is uncertain, your Directors and the Company's Management have immense confidence in your Company's future.

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

HUMAN RESOURCES

Confronted with a global pandemic and consequent lockdowns, your Company and its employees had to quickly adapt to a very uncertain and fast-changing environment. The employees went out of their way to support their colleagues as also the Company. At all times, they showed a high degree of professional commitment and often went beyond the call of duty to keep operations running and to meet the needs of its customers. In this unique year, GNO's employees have been exceptional in every respect. Your Directors place on record their appreciation for the huge contribution made by all its employees in this difficult year.

More generally, employee relations were cordial and productive at all sites of your Company. At the end of the financial year, there were 2178 employees.

The Company follows the best practices in hiring and on-boarding of employees. The Company adopts a fair and transparent performance evaluation process. In order to improve organizational efficiency and employee engagement, and also to improve skill levels, employees participate in various training programmes and complete mandatory e-learning courses. Company has received certification from "TOP EMPLOYER" for its good human resource processes.

Your Company is committed to create and sustain a positive workplace environment, free from discrimination and harassment of any nature. The Company believes that all employees have a right to be treated with respect and dignity and has zero tolerance towards violations of its Code of Conduct, in general, and its sexual harassment policy, in particular. The Company has constituted an Internal Complaints Committee ("ICC") under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no complaint under the sexual harassment policy has been received by the Company.

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

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

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

PARTICULARS OF EMPLOYEES

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

The Statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in Annexure 2(B) forming part of this Report. The Annual Report including the aforementioned information is available on the website of the Company, www.grindwellnorton.co.in.

PUBLIC DEPOSITS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Cessation

Mr. Laurent Guillot (Director Identification No. 07412302), Non-Executive Director of the Company relinquished the position of Non-Executive Director effective August 05, 2021 as he decided to pursue his career outside Saint Gobain Group.

Mrs. Isabelle Hoepfner (Director Identification No. 08598846), Non-Executive Director of the Company relinquished the position of Non-Executive Director effective January 01, 2022, due to other professional commitments. Consequent to the resignation of Mrs. Isabelle Hoepfner, Mr. Krishna Prasad who was appointed as alternate Director (Director Identification No.00130438) also ceased to hold office of the Director.

The Board of Directors place on record their appreciation for the valuable contribution made by Mr. Laurent Guillot, Mrs. Isabelle Hoepfner and Mr. Krishna Prasad during their tenure as Directors.

Appointment/Re-appointment

Mr. David Eric Molho (Director Identification No. 09326249), was appointed as an Additional Director under Non-Executive category with effect from October 12, 2021. David Molho joined Saint Gobain in 2009 as Vice-President Corporate Planning. He held various positions managing various businesses of Saint-Gobain. In 2021 he was appointed as Chief Executive officer of High Performance Solutions business of Saint Gobain.

Mr. Krishna Prasad (Director Identification No. 00130438), was appointed as a Whole-time Director under Executive Director category with effect from February 03, 2022.

Mr. David Eric Molho and Mr. Krishna Prasad appointment was approved by the Members through postal ballot the result of which was declared on March 16, 2022.

In accordance with the Act and the Articles of Association of the Company, Mr. Laurent Tellier (Director Identification No. 08587279), Non-Executive, retires by rotation and, being eligible, has offered himself for re-appointment. The Board of Directors recommends the re-appointment of Mr. Laurent Tellier. A resolution seeking shareholders' approval for his re-appointment along with other required details forms part of the Notice.

Mr. Keki Elavia, Dr. Archana Hingorani and Mr. Subodh Nadkarni have submitted declarations that each of them meets the criteria of independence as provided in Section 149 (6) of the Act and Regulation 16(1) and 25 (8) of the Listing Regulations. There has been no change in circumstances affecting their status as Independent, Non-Executive Directors of the Company during the year. They have also completed the registration with the Independent Directors Databank and requisite disclosures have been received from them in this regard.

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

Pursuant to Section 203 of the Act, the Key Managerial Personnel of the Company are: Mr. B. Santhanam, Managing Director, Mr. Krishna Prasad, Executive, Whole-time Director with effect from February 03, 2022, Mr. Deepak Chindarkar, Chief Financial Officer and Mr. K. Visweswaran, Company Secretary.

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

NUMBER OF MEETINGS OF THE BOARD

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

During the year, five board meetings were held and one meeting of Independent Directors was also held. The maximum interval between the board meetings did not exceed the period prescribed under the Act and the Listing Regulations.

COMMITTEES OF THE BOARD

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. that in the preparation of the annual financial statements for the financial year ended on March 31, 2022, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

- ii. that such accounting policies have been selected and applied consistently and judgments and estimates have been made, that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on March 31, 2022, 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;

With reference to the point number (v), the Board believes that the Company has sound Internal Financial Controls ("IFC") commensurate with the nature and size of its business. However, business is dynamic and the IFCs 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 the business evolves. The Company has a process in place to continuously identify such gaps and implement newer and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

DIRECTORS' APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Committee has laid down the criteria for Directors' appointment and remuneration. These are set out in the Nomination and Remuneration Policy which is annexed as Annexure 3 to this Report and is also available on the Company's website at www.grindwellnorton.co.in.

ANNUAL EVALUATION OF PERFORMANCE BY THE BOARD

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee has adopted a framework for performance evaluation of the Board, its committees, individual directors, and the chairperson through a survey questionnaire. The survey questionnaire broadly covers various aspects of Board functioning, the composition of Board and its committees, culture, execution and performance of specific duties, obligations and governance. The evaluation parameters are based on the execution of specific duties, quality, deliberation at the meeting, independence of judgement, decision making, the contribution of Directors at the meetings and functioning of the Committees.

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

RELATED PARTY TRANSACTIONS

All related party transactions entered during the financial year were in the ordinary course of business and on an arm's length basis. During the year, no material related party transactions were entered by your Company.

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

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

The details of the transactions with related parties pursuant to Ind AS-24 are provided in the accompanying financial statements.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

It is your Company's belief that its primary goal is to serve the needs of its customers and, in the process of doing so, to generate employment, livelihood and income for all its stakeholders (suppliers, vendors, service providers, employees, lenders, shareholders etc.) and, at the same time, to contribute to the revenues of the Government. Further, it is your Company's belief that by pursuing its primary goal and by ensuring that its business practices meet the highest standards of corporate governance and ethics, it best fulfills its obligations and responsibility to 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 initiatives were undertaken during the year, in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, are set out in Annexure 4 to this Report. In accordance with Section 135 of the Act, a Corporate Social Responsibility Committee of the Board, having an Independent Chair,

has been constituted to monitor the CSR policy and programs. The amount spent on eligible CSR activity for the financial year 2021-22 was around 2.01% of the average profit of the Company during the immediately preceding three financial years.

RISK MANAGEMENT POLICY AND INTERNAL FINANCIAL CONTROLS

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

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

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

Your Company has adopted and disseminated its Whistle Blower Policy to provide a secure environment and encourage employees and others to report unethical, unlawful or improper practices, acts or activities including a leak or suspected the leak of Unpublished Price Sensitive Information and to prohibit any adverse personnel action against those who report such practices, acts or activities, in good faith.

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

AUDITORS

a. Statutory Auditors

In accordance with the provision of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016), completes its term as the Statutory Auditors of the Company at the conclusion of the ensuing Annual General Meeting ("AGM") of the Company.

Your Directors on recommendation of the Audit Committee, seek approval of the Members at the ensuing AGM of the Company, for appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No.104607W / W100166) for a term of five (5) consecutive years. M/s. Kalyaniwalla & Mistry LLP Chartered Accountants, have confirmed their eligibility and willingness for appointment as Statutory Auditors of the Company under the provisions of the Companies Act, 2013 and Rules framed thereunder.

Accordingly, a resolution, proposing appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W / W100166), as the Statutory Auditors of the Company for a term of five (5) consecutive years, from the conclusion of the 72nd AGM till the conclusion of the 77th AGM of the Company pursuant to Section 139 of the Companies Act and Rules framed thereunder on such remuneration as may be mutually agreed between Board of Directors of the Company and the Auditors, as set out in the resolution included in the Notice convening the AGM of the Company.

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

b. Cost Auditor

In accordance with Section 148 of the Act and Rules framed thereunder, the cost audit records are maintained by the Company in respect of the products which are required to be audited. Your Directors, on the recommendation of the Audit Committee, appointed M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No. 000065), to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2023. M/s. Rao, Murthy & Associates, Cost Accountants, have under Section 139(1) of the Act and the Rules framed thereunder furnished a certificate of their eligibility and consent for the appointment.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors have to be ratified by the Members of the Company. Accordingly, an appropriate resolution forms part of the Notice convening the AGM. The Board of Directors seeks your support in approving the proposed remuneration of ₹ 2,00,000/- (Rupees two lakhs only) plus taxes and out of pocket expenses at actuals payable to the Cost Auditor for the financial year ending March 31, 2023. M/s. Rao, Murthy & Associates, Cost Accountants, have vast experience in the field of cost audit and

have conducted the audit of the cost records of the Company for the past several years.

c. Secretarial Auditor

In accordance with Section 204 of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Parikh & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2022. The Secretarial Audit Report for the financial year ended March 31, 2022, in Form No. MR-3 is set out in Annexure 6 of this Report.

The Board has also appointed M/s. Parikh & Associates, Company Secretaries as Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year 2022-23.

Comments on Auditors' Report

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

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

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website, www.grindwellnorton.co.in.

DISCLOSURE REQUIREMENTS

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

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

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

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

The Company has complied with relevant compliances relating to downstream investment under Foreign Exchange Management Act .

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

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

KEKI ELAVIA
Chairman
DIN00003940

B. SANTHANAM
Managing Director
DIN00494806

Bengaluru, May 6, 2022

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 workplace at all plant locations and work sites. All the Plants of your Company are certified under the Integrated Management System. These certifications are recognition of the sustained efforts made by your Company in improving Environment, Health and Safety (“EHS”) at all its sites. Your Company has taken various measures to conserve energy and resources.

(B) Technology absorption:

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

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

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

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

- Improved products for the Food Processing industry
- Launch of new scrubbers for the consumer industry
- Upgraded products for the Metal Fabrication and Paint & Decorative segments

3. Projects on conservation of energy:

- Progress on Wind Power as source for clean energy
- Solar power at Plants
- Reduction of heat loss from ovens
- Reduction of specific fuel & power consumption

4. Future plans of action:

Technology adoption from Saint-Gobain Abrasives and other Saint-Gobain plants in identified priority areas, for the development of new and improved products. Development and utilization of advanced tools facilitated with enhanced grinding system solutions.

5. Expenditure on R&D for the year ended March 31, 2022:

	(₹ crores)
(a) Capital	0.79
(b) Recurring	2.48
(c) Total	3.27
(d) Total R&D expenditure as % of Revenue from Operations	0.16%

(C) Foreign exchange earnings and outgo:

Total earnings in foreign exchange for the financial year ended March 31, 2022 was ₹ 356.08 crores and the total outflow was ₹ 630.88 crores

Annexure 2

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

- Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2021-22 and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary:

Sr. No.	Name of the Director/ Key Managerial Personnel and Designation	Remuneration for the financial year ended March 31, 2022 (₹ lakhs)	% of increase in remuneration in the financial year ended March 31, 2022	Ratio of remuneration of each director median remuneration of employees
1.	Mr. Keki Elavia Chairman	25.40	8.55%	4
2.	Ms. Archana Hingorani Non-Executive, Independent Director	25.40	9.96%	4
3.	Mr. Subodh Nadkarni Non-Executive, Independent Director	25.10	8.66%	4
4.	Mr. Anand Mahajan Promoter, Non-Executive Director	42.60	25.11%	7
5.	Mr. B. Santhanam Managing Director	170.19	6%	27
6.	Mr. Krishna Prasad Executive Director	355.61	20.38%	55
7.	Mr. Deepak Chindarkar Chief Financial Officer	265.35	28.86%	Not Applicable
8.	Mr. K.Visweswaran Company Secretary	128.55	23.53%	Not Applicable

- The percentage increase in the remuneration of median employee is 19%.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 9.4%. The average increase made in the salaries of Key Managerial Personnel in the financial year was 8.3%, the higher increase in the remuneration was mainly due to performance based compensation. It may be noted that in the Company's case, the median remuneration is that of a unionised employee. A unionised employee's remuneration increases significantly in the year that a new wage agreement is concluded and, as such, the increase in median remuneration may vary significantly from year to year.
- The number of permanent employees on the rolls of the Company as on March 31, 2022: 2178.
- The key parameters for the variable component of remuneration paid to the Directors are considered by the Board of Directors based on the recommendation of Nomination and Remuneration Committee as per the Remuneration policy.
- It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration policy of the Company.

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

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

Name	Age	Designation/ Nature of Duties	Remuneration (₹ Lakhs)	Qualification	Commencement of employment	Last Employment	Total Experience
Employed throughout the year							
Mr. Krishna Prasad	60	Vice President, Ceramics & Plastics and Corporate Services	355.61	B.Sc. (Engg), PGDM (IIM)	May, 1990	The Fertilisers and Chemicals Travancore Limited	36
Mr. Deepak Chindarkar	58	Vice President, Finance & IT	265.35	B.Tech, CWA, MBA	June, 1987	None	35
Mr. Hari Singudasu	54	Vice President, Abrasives	235.29	CWA, PGDBM-Management, Diploma - Finance	January, 1998	Larsen & Toubro Limited	33
Mr. B. Santhanam	65	Managing Director	170.19	B.Tech in Civil Engg (IIT), PGDBM (IIM)	April, 2020	None	42
Mr. K. Visweswaran	52	Company Secretary	128.55	CA, CS, B.Sc.	October, 1997	BPL Refrigeration Limited	29
Mr. V. R. Mahadevan	53	Director-Finance & IT Abrasives, APAC	126.32	CFA, CWA, PGD -Finance	March, 2000	Toyota Kirloskar Motor Ltd	34
Mr. Amit Koul	48	General Manager – Sales & Marketing, Abrasives	125.02	BE in Mech. Engg.	November, 2000	KSB Pumps Limited	26
Mr. Ritesh Patterson	51	General Manager - Performance Plastics	115.59	BE in Mech. Engg, PGDM - Marketing	July, 1993	None	29
Ms. Anwesa Sen	48	Head - Human Resources	103.03	MSC, MBA - Human Resources	September, 2017	Geometric Limited	20
Employed part of the year							
Mr. Jean-Marc Hess	68	Deputy Chief Information Officer, Saint-Gobain	309.94	BTS, CNAM	November, 2016	Saint-Gobain DSI Groupe, France	48
Mr. Aju Varghese	54	Head-Information Technology	157.51	M.Sc.	November, 1993	SM Dyechem Limited	31
Mr. Denis D' Silva	66	Manager - Accounts	13.21	B. Com	September, 1984	None	44

Notes:

- Total remuneration includes salary, commission, allowances, rent paid for providing accommodation, leave pay, group and accident insurance premium, Company's contribution to provident, superannuation and gratuity funds and also the monetary value of other perquisites.
- All the above employees are employed on contractual basis.
- Experience includes number of years of service elsewhere, if applicable.
- None of the employees are related to any Director of the Company.
- None of the employees are covered under Rule 5(3)(viii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of Section 197 of the Companies Act, 2013.

Annexure 3

NOMINATION AND REMUNERATION POLICY

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

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

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

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

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

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

The NEDs shall be paid commission up to an aggregate amount not exceeding 1% of the net profits of the Company for the year. The Company has no stock options and no plans to introduce stock options.

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

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

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

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

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

Annexure 4

CORPORATE SOCIAL RESPONSIBILITY POLICY

As a part of the Saint-Gobain Group, Grindwell Norton Ltd (“GNO”) has adopted the Group’s Corporate Social Responsibility (“CSR”) policy and adapted it to the Indian context. For the Group, CSR is at the heart of its strategy of sustainable development and this strategy is guided by the Saint-Gobain purpose of “MAKING THE WORLD A BETTER HOME”. 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 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.

Scope:

GNO is committed to spend the amount as prescribed under section 135 Companies Act, 2013 (“Act”), in the activities specified in Schedule VII of the said Act and Rules framed thereunder.

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 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. Every year, the CSR committee will place the CSR programmes to be carried out during the financial year, along with any recommendations, for the approval of the Board of Directors. The Board will consider and approve the CSR plan. The Board may also modify the CSR plan during the financial year based on the recommendation of the CSR Committee. The CSR Committee is responsible for reviewing all such programs on a periodical basis and submitting reports to the Board for review. The progress monitoring and review mechanism will be aligned with the Companies Act, 2013.

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 - a non-profit company promoted by Saint-Gobain group in India - for implementing CSR initiatives or any other trust or foundation who have competencies in implementation of the identified CSR activities.

Impact Assessment:

The CSR programmes will be monitored to ensure the objectives are achieved and an impact assessment where required by the Act will be carried out and the same will form part of the CSR Report of the Company.

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.

The provisions of this CSR policy is subject to revision/amendments by CSR Committee and Board of Directors in accordance with provisions of the Act and Rules made thereunder.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES

1. Brief outline on CSR Policy of the Company

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

- Limiting the impact of its operations, products and actions on the environment,
- Supporting the Saint-Gobain India Foundation and local community development,
- Ensuring that its business practices meet the highest standards of corporate governance and ethics, 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 programme are available on the website of the Company, www.grindwellnorton.co.in.

2. Composition of CSR Committee:

Sl. No.	Name	Category	Number of meetings during the year 2021-22	
			Held	Attended
1.	Mr. Keki Elavia (Chairman)	Independent, Non-Executive	1	1
2.	Mr. Laurent Guillot [#]	Non-Executive	1	-
3.	Mr. B. Santhanam	Executive	1	1
4.	Mr. David Eric Molho ^{##}	Non-Executive	N.A.	N.A.

[#] Relinquished Directorship with effect from August 05, 2021

^{##} Appointed as Member with effect from November 03, 2021

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR project approved by the board are disclosed on the website of the Company.

Composition of CSR committee - <https://www.grindwellnorton.co.in/investor-information/corporate-governance/board-and-committees>

CSR Policy - <https://www.grindwellnorton.co.in/investor-information/policies>

CSR Project - <https://www.grindwellnorton.co.in/investor-information/Annual-Report>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

The Company has been conducting internal impact assessments to monitor and evaluate the CSR projects undertaken by the Company. The average CSR obligation limit as stated in the said Rules does not apply to the Company.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

(₹ lakhs)

Sl. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
1.	2021-2022	29.88	-

6. Average net profit of the Company as per section 135(5): ₹ 253,46 lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 507 lakhs
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
 (c) Amount required to be set off for the financial year, if any: NIL
 (d) Total CSR obligation for the financial year (7a+7b+7c): ₹ 507 lakhs
8. (a) CSR amount spent or unspent for the financial year:

(₹ lakhs)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
510.49	NA	-	-	NA	-

- (b) Details of CSR amount spent against ongoing projects for the financial year:

(₹ lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocate for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency
				State	District					Name	CSR Registration Number
NA											

- (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(₹ lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project [#]	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project*	Mode of Implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Promotion of Education & Rehabilitation education	(ii)	Yes	Maharashtra; Karnataka;	Mumbai; Bengaluru;	427.24	No	Saint-Gobain India Foundation	CSR00003464
2.	Infra Support – Historical Art and Culture	(v)	Yes	Karnataka	Bengaluru	20.00	No		
3.	Support to people affected by the pandemic - distribution of PPE kits, medical and infrastructure support	(xii)	Yes	Pan India		63.25	Yes	-	-
TOTAL						510.49			

* is rounded off to the nearest rupee.

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

- a. Akanksha Foundation is an NGO that works primarily in the field of education of underprivileged children through Akanksha Schools. Akanksha adopts, manages and operates government schools in Mumbai. Saint-Gobain India Foundation supported 380 students of Natwar Nagar Mumbai Public School for 2021-22.
- b. Aseema is a Mumbai based NGO working for the rights of underprivileged children living in the streets and in slum communities. It supports poorly functioning municipal schools and helps improve students learning. Saint-Gobain India Foundation has sponsored the education of around 170 children at the Santacruz (West) Municipal School, Mumbai and Igatpuri.
- c. Parikrma aims at creating a sustainable model by effecting a fundamental change in the way the poor and marginal children are educated. Saint-Gobain India Foundation supports 260 students in Bengaluru.
- d. SOS Children's Villages of India is committed to the welfare of orphaned and abandoned children and provides shelter and education to such children. Saint-Gobain India Foundation supports 190 children at SOS village in Bengaluru.
- e. United way of Mumbai support for early childhood care & education and supplementary primary education for children for Ankuran Raigad for 100 students.
- f. Yash Charitable trust provide rehabilitation, skill development training and livelihood opportunities, through skilling and supported employment opportunity for 20 differently able beneficiaries.

In addition to the above, the Company has contributed towards COVID-19 initiatives, extended support to people affected by the pandemic - distribution of PPE kits, medical and infrastructure support.

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 510.49 lakhs

(g) Excess amount for set-off, if any

(₹ lakhs)

Sl. No.	Particular	Amount
(i)	Two percent of average net profit of the Company as per section 135(5)	507.00
(ii)	Total amount spent for the financial year	510.49
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.49
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	29.88
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	33.37

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(₹ lakhs)

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135 (6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
NA							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(₹ lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project Completed/ Ongoing
NA								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- (a) Date of creation or acquisition of the capital asset(s): None
- (b) Amount of CSR spent for creation or acquisition of capital asset: NIL
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):
Not Applicable

For Grindwell Norton Limited

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

B. SANTHANAM
Managing Director

DEEPAK CHINDARKAR
Chief Financial Officer

KEKI ELAVIA
Chairman

Bengaluru, May 6, 2022

Annexure 5

DIVIDEND DISTRIBUTION POLICY

1. Objective:

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

2. Parameters for declaration of Dividend:

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

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

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

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

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

2.3 Manner of utilization of Retained earnings:

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

2.4 Parameters adopted with regard to various classes of shares:

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

3. Disclosure:

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

4. General:

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

Annexure 6

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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, to the extent 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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (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 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (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 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 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:-
 - (a) Factories Act, 1948;
 - (b) Labour Laws and other incidental laws related to labour and employees; (c) Industries (Development & Regulation) Act, 1991;
 - (d) Acts and rules prescribed under prevention and control of pollution; (e) Acts relating to protection of IPR

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with 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 generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc.

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 other than those held at shorter notice, 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.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

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

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

For **Parikh & Associates**
Company Secretaries

MITESH DHABLIWALA
Partner

FCS No: 8331 CP No: 9511
UDIN: F008331D000277534
PR No.: 1129/2021

Place : Mumbai
Date : May 6, 2022

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. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**
Company Secretaries

Place : Mumbai
Date : May 6, 2022

MITESH DHABLIWALA
Partner
FCS No: 8331 CP No: 9511
UDIN: F008331C000255094
PR No.: 1129/2021

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 44.2 billion in 2021. Saint-Gobain has organized its businesses into two broad areas: Construction or Building related businesses that serve Regional markets and businesses that serve Global markets. The businesses that serve Global markets fall within the High Performance Solutions sector of Saint-Gobain. GNO’s businesses are part of the High Performance Solutions sector. Within GNO, the businesses are divided into two major segments:

1. Abrasives
2. Ceramics & Plastics

BUSINESS ENVIRONMENT

With ease of COVID restrictions and supply disruptions post the second wave of COVID the output levels reached pre-pandemic levels. The recovery in the economy was broad based. The improved performance especially in farm, mining and manufacturing sectors contributed to the growth. As a result, the Indian economy after a witnessing a contraction of 7.3% in the financial year 2020-21 is likely to end with the growth of 8.7% during the financial year 2021-22. The Industrial output growth rate has remained positive since the beginning of the financial year. The Index for Industrial Production (IIP) has registered a growth of 11.3% during the financial year compared to a contraction of 8.4% in the previous financial year. The rising input cost and the commodity prices contributed to the rise in inflation and depreciation of Indian Rupee against USD. RBI in order to sustain the growth continued with accommodative policy measures such as retaining the interest rates and ensuring the liquidity conditions.

ABRASIVES SEGMENT REVIEW

Products & Plants :

Bonded abrasives, generally available in the form of wheels and other shapes such as Segments, Sticks etc., are used for various precision applications such as Lapping, Honing, Super-finishing, Thread grinding, Fluting, OD grinding, ID grinding & Surface grinding. They are also used in rough applications such as Snagging, Cutting-off, Burr removal and Weld preparation. Bonded Abrasives are used by a very large number of Industries like Steel, Bearings, Auto Ancillaries, Auto OEMs, Cutting Tools, Needle, Razor, Food Processing, Aerospace and General Engineering. The variety of products is large and consists more of Made-to-Order products. GNO makes over 15,000 different products in a year.

Thin Wheels are predominantly Cutting and Grinding Wheels used for Cutting, Deburring and Weld-removal. These are generally used in Fabrication and Construction. In addition to different forms of Steel, lately the usage of other metals like Aluminum in fabrication has increased. With the increasing affordability of Power Tools, usage of TWs is growing. 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 and finishing. Coated Abrasive products are available in various shapes like Discs, Belts, Wheels, Sheets & Rolls to suit a wide gamut of surface preparation and polishing applications. Non-Woven Abrasives, which are a part of Coated, cater to the consumer market in scouring applications and for high quality surface finish in Industrial applications. GNO offers the widest range of cutting-edge Abrasive products to the Indian market. While the vast majority of these products are made by GNO in India, some are sourced from other plants of Saint-Gobain or from third parties. Saint-Gobain has good backward integration for certain Abrasives as the Ceramic Materials Division of Saint-Gobain manufactures high-end Abrasive grains. Besides, Saint-Gobain has strong Research and Development capabilities and is uniquely positioned in the Abrasives industry. The Abrasives business has four manufacturing sites: Mora (near Mumbai), Bengaluru, Nagpur and Bated (Himachal Pradesh). All the sites are certified under ISO 9001, ISO 14001 and OHSAS 18001/ISO 45001. Besides, to augment its manufacturing capacity, GNO also has contract manufacturing facilities in India and extensive sourcing arrangements from countries outside of India.

Industry :

The Abrasives industry in India currently has two major players offering a full range of Abrasives products, one of which is GNO. GNO has a leadership position in several product-market segments. Apart from these two major players, there are several multi-national players, primarily, European, Korean and Japanese, present in the market through their local entities or agents or distributors. Also, there are several small local players present in a select range of products. Over the years, imports from China have significantly increased in the lower tiers of the market. As the Quality and performance levels of these products have also improved, they offer a very good value proposition to the customers and increasingly occupy higher shelf-space in Retail counters. Post implementation of GST, major European and Japanese players have started billing in INR from local ware-houses. In case of Coated Abrasives,

a few important international players including from Korea, have set up conversion facilities in India. Abrasives business has over a period of time become very competitive with Power Tool players, Cutting Tool and Paint companies entering in a big way. The abrasives market is thus becoming a lot more competitive every year.

The Key Success Factors for Abrasives in India are good cost position, reliable service, consistent quality, strong distribution and reach, agile innovation and high level of collaboration with customers.

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 process, products and applications, 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.

Year 2021-22 was expected to start on a strong note. However, pandemic Wave 2 hit the country very hard during Apr – Jun and severely impacted several of our stakeholders – employees, distributors, retailers, customers and suppliers. This created challenges in operations & sales. However, the Company responded proactively to the situation by mobilizing and facilitating the best possible support. On the other hand, economic activities continued at reasonably normal level as government imposed lesser restrictions than in wave 1. We managed to report a good overall performance in the given context in first quarter of the financial year 2021-22. The second and third quarter of the financial year on the other hand saw significant twin challenges of high inflation and severe disruption of Supply Chains. Initially high demand and constrained supply side led to high inflation. This got exacerbated further with the energy crisis in China and the implementation of severe environment protection measures preceding Winter Olympics. Constraints in availability of good quality bauxite in India and consequent impact on manufacturing of Brown Fused Alumina did pose severe challenges. Grain manufacturers in India are adopting alternative methods to achieve the production of required quality of BFA avoiding dependency on bauxite and we are working closely with the large, well established companies to secure Supply Chain.

On the other hand, to mitigate the impact of unparalleled inflation, we had no other option but to pass on the increases to the market and customers. We thus had to take the unprecedented step of increasing prices multiple times during the year.

Inflationary pressures continued in Q4 while the availability of key materials improved. However, the new geo political tensions and the 'zero' tolerance approach to Covid in China created new uncertainties and started dampening the sentiment and activity towards the year-end.

Our efforts to gain share in the market continued at a good pace in spite of the disruptions and as a result we grew our sales by 22% as compared to 2020-21 and by 23% as compared to 2019-20. With continued control over costs, we reported an Operating Profit of ₹155,61 lacs reflecting an increase of 39%. Operating Margin stood at 13.70%.

Given the strong growth expected in different segments of Abrasives, we have accelerated our Capex in 2021-22. We have progressed as per schedule on the new Coated Maker. The company is investing in a new & modernized manufacturing facility for Non-woven products to increase the capacity, and it would be commissioned by early-2023.

Risks & Concerns:

The direct risks posed by the pandemic have reduced. On the other hand, the global supply chains continue to be impacted due to the spread of more transmissible variants leading to increased costs and lead-times. India has handled the Wave 3 well due to vaccination and we do believe that as a country we are better prepared to handle any new mutants that are fast paced. However, even as the fear of pandemic has reduced in the general public, the lingering uncertainty may have an adverse impact on consumer spending. We will keep a close watch on the developments, prioritize the safety and wellbeing of our employees while being agile to respond to the changing demand. We will continue to keep discretionary costs under check.

The crisis related to availability of semi-conductors has affected several industries and more particularly, the auto sector. The ongoing war between Russia and Ukraine has posed new challenges regarding inflation, supply chains and growth. Fuel prices are ruling at sustained high levels. Inflation – both the Wholesale and Consumer, continues to rise in India and globally. This is causing the Central banks to consider interest rate hikes and roll-back of the expansionary monetary policy. This is expected to have an impact on the credit availability and overall demand.

(i) Industry & Market:

The Abrasives business caters to a number of industries such as Steel, Automobiles, Auto Components, General Metal Fabrication, Construction and Woodworking. The dependence on any single industry segment is less than 15% even as Automotive coupled with ancillaries and Automotive after, has a significant impact. Demand for Abrasive products can get

affected if all sub-segments of the industry perform badly at the same time or if a significant downturn happens in Auto industry that impacts Abrasives potential significantly, directly or indirectly. Normally, this happens in an economic slowdown. There are a number of large customers serviced directly and there are several dealers to service small and medium customers. The largest customer accounts for less than 4% of the total sales and the largest dealer also accounts for less than 3% of the total sales. In order to minimize the impact of a domestic downturn, GNO has been putting in efforts to develop export markets and will continue to do so. Export sales are not concentrated in any single country, but are spread over several countries.

(ii) Technology:

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

(iii) Competition:

The Abrasives Market has clearly been evolving from two major players to multi-players. The competitive landscape has become much more dynamic with players from Power Tools, Paints, Cutting Tools and other trading-houses actively entering into the market in the last few years. We have, on the one hand, competition from the high-end European manufacturers and on the other, from the low-end Chinese imports. Hence it is important to be differentiated as well as highly competitive to stay ahead in the market. To meet the growing challenges in the market, the business will have to continue to invest in technology, capacities and capabilities and provide superior solutions.

SILICON CARBIDE (“SiC”)

Products & Plants

Silicon Carbide grains are used primarily as raw material in the manufacture of Abrasives, Refractories and for stone polishing. SiC is manufactured at the plant located at Tirupati in Andhra Pradesh. SiC is also manufactured by the Company's subsidiary, Saint-Gobain Ceramic Materials Bhutan Private Limited, at its plant near Phuentsholing in Bhutan. Both the plants are certified under ISO 9001: 2015, ISO 14001:2015 and ISO 45001:2018.

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, Vietnam and Russia. 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 domestic demand increased over the previous year primarily driven by the refractory Market. SiC business witnessed the worst inflation on the cost front. The Petcoke which is one of the Primary Raw material touched historical high levels. In your company's subsidiary in Bhutan we shifted to Low Sulphur coke (RPC) to be in line with the local norms.. This change has come with a structural change in our cost as this RPC is priced much higher than Petcoke. While on one side we started using RPC which was priced much higher than conventional Petcoke, the spike in the RPC prices witnessed globally added further to our input costs. While the Costs touched historical highs, at both Tirupati and at Bhuta, we were able to cover this with the substantial increase in selling prices. .

On the supply side, production at your Company's Tirupati Plant was higher than in the previous year. . While supply from Tirupati increased, the production at Bhutan continued to be a challenge due to the restrictions on the movement of people imposed by the Government of Bhutan to control the spread of COVID-19.

Looking ahead, the focus in 2022-23 will be on maximizing supply from both manufacturing locations and to continue focus on the Price and Cost management.

Risks & Concerns:

Given the ongoing global Energy crisis, the Input cost pressure continues to be effecting us and we are yet to see a reversal in the trend for our input costs. This needs a very close management.

PERFORMANCE CERAMICS AND REFRACTORIES (“PCR”)

Products & Plants:

GNO's PCR Business Unit makes Ceramic and Refractory products for a wide range of industrial applications. The products manufactured mainly include Silicon Carbide based “shaped” refractory and ceramic products. The range of “unshaped (monolithic)” products primarily include “dry ramming masses” and a few specialized “castables”. PCR Business offers comprehensive solutions, based on deep expertise acquired over the years, in design, engineering and manufacturing of ceramic and refractory systems for addressable applications. In many cases, our offering includes installation support and training as part of the overall product-service package. PCR business unit has two manufacturing sites: one is located at Bengaluru, in Karnataka and the other at Halol, near Vadodara, in Gujarat. The plants in Halol & Bangalore are certified under ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.

Industry:

PCR Refractory products find use in applications across industry segments like Primary Iron & Steel, Primary Non Ferrous Metals (Aluminum, Copper, Zinc etc.), Secondary Steel, Secondary Iron, Secondary Non Ferrous (Aluminum, Copper), Petrochemicals, Waste to Energy Systems etc. PCR Ceramic products are used in applications in industry segments like Sanitary-ware, Table-ware, Ballistic Armor Protection, Wear Resistance Systems, etc.

Development & Outlook:

The 2nd wave of COVID-19 from March-May 22 did not have severe impact on supply and demand and the performance of the business. Sales in 2021-22 was 35% higher than previous year. The business continued to develop the opportunities identified during the last few years in the following segments: Foundry, Iron & Steel and Non Ferrous segments in the domestic market and Ceramic systems, Iron & Steel and Foundry segments in export markets. Operating profit grew substantially, mainly due to the Price Increase (which was higher than input cost Inflation) and the continued improvement in manufacturing efficiencies. 2021 – 22 was also the first year of the new joint venture with Shinagawa Refractories, Japan – SG Shinagawa Refractories India private limited.

The outlook for 2022-23 is positive on account of the identified market opportunities but concerns, on account of inflation and supply chain disruption risks, remain. Halol Expansion plan will be the key driver for strong growth (particularly in Export markets) in coming years.

Risks & Concerns:

The 4th wave of COVID 19 is a cause for concern and increases short-term uncertainty. Ensuring the health and safety of our employees is going to be a key priority. The sustained rise in the prices of key raw materials in recent months is a major concern. This needs to be mitigated primarily through price increase and cost reduction initiatives in the plants. The business has a very high level of exposure to global supply chains - both for inputs and sales. There are many geo-political factors at play that can disrupt these supply chains. Contingency plans need to be developed for such situations.

PERFORMANCE PLASTICS (“PPL”)

Product, Plant & Industry

The Performance Plastics business produces and markets more than 800 standard and custom-made polymer products through three business segments: Engineered Components (“ENC”), Life Sciences (“LS”) and Composites (“CMP”). Each of the segments demonstrates innovation, responsiveness to customer needs and polymer expertise. The major product lines in PPL are Bearings, Seals, Tubing & Hoses, Films, Fabrics and Foams. The major markets addressed are Automotive, Oil & Gas, Life Sciences, Construction, Energy and General Industrial. GNO has a plant for ENC and FLS products situated at Bengaluru. This plant is certified under ISO 9001, ISO 14001, OHSAS 18001/ISO 45001 and TS 1694.

Development & Outlook

The major growth drivers are: a. New product development and new market penetration b. Success in new applications development and market launches. Broad-basing of existing applications and markets d. Specification driven approvals at customers. 2021-22 was an excellent year for the PPL business with both sales and profits registering significant increases. The Life Sciences segment was by far the biggest contributor to this outstanding performance through good growths in both domestic and exports markets. The domestic market witnessed good demand from manufacturers of COVID vaccines and drugs and also due to the conversion of new customers and applications. As global markets also witnessed strong growth demand, export orders for tubings from our affiliates saw a good increase. There was a sharp revival in Automotive business in the year which helped Bearings to register a strong growth surpassing the targets set for the year. Revival of Construction activity and industrial activity helped the Composites segment to do much better. Moreover, strong customer conversions and demand pick up in automotive customers has led to a strong growth for the Composites business. Seals business too showed good growth volumes over last year with new customer additions in the Energy sector inspite of a sluggish Energy market environment.

Looking ahead, the outlook for all businesses is positive with a favorable demand scenario in most of the markets. The Life Sciences business continues to have a strong outlook both on the domestic and exports front with establishment of India as an export hub through consistent delivery both on quality and lead time expectations. With Automotive demand expected to do well in the current year with lesser supply chain disruptions, Bearings and Composites businesses too have a good outlook. The main aim of the PPL business in 2022-23 would be to strengthen its position in existing markets, while accelerating growth in new markets in the industrial, life sciences and construction segments. Execution of Capex projects lined up in this year and timely commercial production is a key deliverable for us. Presence of well-trained technical sales and application engineers with good market coverage is a key requirement to identify and develop new applications and deliver high growth. Building such teams and local expertise will continue to be a high priority for the business. Risks & Concerns Demand disruption in key markets like Automotive, Industrial and Oil & Gas is a major risk due to the macro environment uncertainty in the short term. Inflationary environment and concerns over availability of Key Raw materials along with logistical uncertainties will be critical challenges to overcome for the business in the current year. Depreciation of the Rupee is also a risk as the business as it is import-intensive.

IT- Services –

Development & Outlook and Risk & Concerns

GNO has captive IT services unit which provides various IT services (e.g. Application development, infrastructure management, and cybersecurity) to the Saint-Gobain group globally. The IT services unit has around 660 people. The captive center follows the cost-plus model. The growth in this segment is limited and future growth can happen only on account of cost inflation. The financial performance of this segment may be impacted due to the foreign exchange fluctuation and hedging strategy. As the profit from this segment is more than 10% of the total profit of the Company during the current financial year, this segment's results are separately provided. This may not be repeated in the subsequent years.

Risks & Concerns –

Others

1. FINANCIAL

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

2. LEGAL & STATUTORY

Contingent Liabilities:

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

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

HUMAN RESOURCES

GNO's Human Resources Policy aims to create a work environment that is conducive for the professional and personal development of employees. GNO continued to invest in training people in Environment, Health and Safety and in World Class Manufacturing and to provide a work environment in which employees can give their best and realize their full potential. At the end of the year, there were 2178 employees.

OVERALL PERFORMANCE

The financial year witnessed increased economic activity after a contraction in the previous year. The industrial economy witnessed a steady and sustained improvement despite increase in input costs and high commodity prices. Your Company's standalone revenue from operations and operating profit have increased by 22.8% and 25.0% respectively and consolidated revenue from operations and operating profit increased by 22.9% and 25.0% respectively. The significant change in consolidated operating profit margin (19.9% vs 19.6%) and net profit margin (14.7% vs 14.5%) was mainly due to higher volume and improved realisation. Return on Net Worth (standalone) for the financial year ended March 31, 2022 at 19.1% is higher than that of the previous financial year (17.8%) and Return on Net Worth (consolidated) for the financial year ended March 31, 2021 at 18.8% is higher than that of the previous financial year (17.4%).

INTERNAL CONTROL SYSTEMS

GNO has an effective internal control environment which ensures that the businesses and operations are managed efficiently and effectively, assets are safeguarded, regulatory requirements are complied with and transactions are recorded after appropriate authorisations. The efficacy of the internal control systems is validated by Internal as well as the Statutory Auditors. The Company's strong independent internal audit function performs regular audits. Every quarter the significant audit findings, the corrective steps recommended and their implementation status are presented to the Audit Committee.

SEGMENT FINANCIALS

For the current year, in line with the Accounting Standards on Segment reporting, GNO has identified three segments. These segments are Abrasives, Ceramics & Plastics and IT Services.

CAUTIONARY STATEMENT

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

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

2. BOARD OF DIRECTORS

Composition:

As on March 31, 2022, the Company has nine Directors. Of the nine Directors, seven are Non-Executive Directors out of which three are Independent Directors. The Chairman of the Board is an Independent, Non-Executive Director.

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

The number of Directorship(s), committee membership(s)/chairmanship(s) of all the Directors is within the respective limits prescribed under the Companies Act, 2013 ("Act") and the Listing Regulations. Necessary disclosures regarding committee positions in other public companies as on March 31, 2022, have been made by the Directors. None of the Directors are related to each other. The Company has received a certificate from M/s. Parikh & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

All the Independent Directors have confirmed that they meet the criteria and fulfill the conditions as mentioned under Regulation 16 of the Listing Regulations and Section 149 of the Companies Act, 2013 ("Act"). In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. The maximum tenure of the Independent Director is in compliance with the Act. Independent Directors do not hold office as an Independent Director in more than seven listed companies. The terms and conditions of appointment/re-appointment of Independent Directors and details of the familiarisation programme imparted to Independent Directors are also available on the Company's website at <http://www.grindwellnorton.co.in/investor-information>.

Meetings of the Board:

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

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

May 07, 2021, July 28, 2021, November 03, 2021, December 03, 2021 and February 03, 2022.

Necessary quorum was present for all the meetings. During the year, information as mentioned in Schedule II, Part A of the Listing Regulations has been placed before the Board for its consideration. The Board of Directors accepted all the recommendations made by the Committees of the Board during the financial year. The Audit Committee periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company. During the year, a separate meeting of the Independent Directors was held on February 03, 2022. All Independent Directors attended the meeting.

The names and category of the Directors, their attendance at Board meetings held during the year and number of Directorships, names of the listed entities, category of directorship and committee chairmanships/memberships held by them in other public and private companies as on March 31, 2022, are given below:

Name of the Director	Category	Number of Board Meeting during the year 2021-22		Whether attended last AGM held on July 28, 2021	Number of Directorship held (including GNO)*		Number of Committee positions held in public companies (including GNO)*	
		Held	Attended		Public	Private	Chairman	Member
Mr. Keki Elavia (Chairman) DIN 00003940	Independent, Non-Executive	5	5	Yes	9	1	4	10
Dr. Archana Hingorani DIN 00028037	Independent, Non-Executive	5	5	Yes	6	3	1	8
Mr. Subodh Nadkarni DIN 00145999	Independent, Non-Executive	5	5	Yes	3	-	2	3
Mr. Laurent Guillot [#] DIN 07412302	Non-Executive	5	1	No	1	-	-	-
Mr. Sreedhar Natarajan DIN 08320482	Non-Executive	5	3	No	1	-	-	-
Mr. Laurent Tellier DIN 08587279	Non-Executive	5	5	Yes	1	-	-	-
Ms. Isabelle Hoepfner ^{###} DIN 08598846	Non-Executive	4	4	No	2	-	-	1
Mr. Krishna Prasad (Alternate Director to Ms. Isabelle Hoepfner) ^{###} DIN 00130438	Executive	4	4	Yes	2	1	-	-
Mr. Anand Mahajan DIN 00066320	Promoter, Non-Executive	5	-	Yes	2	1	-	2
Mr. David Eric Molho ^{####} DIN 09326249	Non-Executive	5	3	NA	1	-	-	2
Mr. B. Santhanam (Managing Director) DIN 00494806	Executive	5	5	Yes	4	4	1	4
Mr. Krishna Prasad DIN 00130438 [§]	Executive	1	1	NA	2	1	-	-

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

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

* The information related to committee positions held as stated above, pertains to the audit committee and stakeholders relationship committee in accordance with the provisions of Regulation 26 of the Listing Regulations.

Name of the Director	Expertise in	Category	Names of the Listed Entities where Directorship held
Mr. Keki Elavia (Chairman) DIN 00003940	Finance and Accounts	<ul style="list-style-type: none"> Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive 	<ul style="list-style-type: none"> Sterling and Wilson Solar Limited Goa Carbon Limited Britannia Industries Limited Dai-ichi Karkaria Limited Grindwell Norton Limited The Bombay Dyeing and Manufacturing Company Limited
Dr. Archana Hingorani DIN 00028037	Finance Markets	<ul style="list-style-type: none"> Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive 	<ul style="list-style-type: none"> 5paisa Capital Limited Grindwell Norton Limited Alembic Pharmaceuticals Limited Den Networks Limited Balaji Telefilms Limited
Mr. Subodh Nadkarni DIN 00145999	Finance, Commerce, Project Management, Sales, Marketing, Human Resources Management and General Administration	<ul style="list-style-type: none"> Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive 	<ul style="list-style-type: none"> Galaxy Surfactants Limited Grindwell Norton Limited Goa Carbon Limited
Mr. Sreedhar Natarajan DIN 08320482	Finance and Management	<ul style="list-style-type: none"> Non-Executive 	<ul style="list-style-type: none"> Grindwell Norton Limited
Mr. Laurent Tellier DIN 08587279	General Management and various businesses of Saint-Gobain	<ul style="list-style-type: none"> Non-Executive 	<ul style="list-style-type: none"> Grindwell Norton Limited
Mr. Anand Mahajan DIN 00066320	Banking and Finance and Management	<ul style="list-style-type: none"> Independent, Non-Executive Promoter, Non-Executive 	<ul style="list-style-type: none"> Unichem Laboratories Limited Grindwell Norton Limited
Mr. David Eric Molho ^{####} DIN 09326249	General Management and various businesses of Saint-Gobain	<ul style="list-style-type: none"> Non-Executive 	<ul style="list-style-type: none"> Grindwell Norton Limited
Mr. B. Santhanam (Managing Director) DIN 00494806	Business Strategy, Engineering, General Management, Operations, Information Technology, Manufacturing, Marketing Management and Project Management	<ul style="list-style-type: none"> Independent, Non-Executive Non-Executive Executive 	<ul style="list-style-type: none"> Titan Company Limited Saint-Gobain Sekurit India Limited Grindwell Norton Limited
Mr. Krishna Prasad DIN 00130438 [§]	General Management, various businesses of Saint-Gobain and Business Development	<ul style="list-style-type: none"> Executive 	<ul style="list-style-type: none"> Grindwell Norton Limited

[#] Relinquished the position of Non-Executive Director with effect from close of business hours of August 05, 2021, due to other professional commitments.

^{###} Relinquished the position of Non-Executive Director with effect from close of business hours of January 01, 2022, due to other professional commitments. Consequent to relinquishment of Ms. Isabelle Hoepfner, Mr. Krishna Prasad (DIN 00130438), Alternate Director to Ms. Isabelle Hoepfner also ceased to be the Director of the Company.

^{####} Appointed as a Non-Executive Additional Director with effect from October 12, 2021.

[§] Appointed as Additional Director & Whole-time Director with effect from February 03, 2022 and Members approved the said appointed with effect from March 16, 2022.

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

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

3. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

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

Terms of Reference:

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

- Disclosure of any related party transactions; and
- Qualifications in the draft audit report.
- To review with the management, the quarterly financial statements before submission to the Board for approval.
- To review, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- To discuss with internal auditors any significant findings and follow-up thereon.
- To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- To discuss with statutory auditors, before the audit commences about the nature and scope of audit and post-audit, to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- To approve the appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- To carry out any other function as is mentioned in terms of reference of the Audit Committee.
- To review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
- To have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.
- To seek information and have direct access to any employees, Directors, Key Managerial Personnels to perform its functions effectively.
- To secure attendance of outsiders with relevant expertise, if it is considered necessary.
- To invite such of the executives as it considers appropriate to be present at the meetings, but on occasion may also meet without the presence of any executives of the Company.
- To review the appointment, removal and terms of appointment of Chief Internal Auditor.
- To review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of asset size of the subsidiary, if any, whichever is lower.
- The Committee shall also conduct an annual review of the adequacy of the Terms of Reference and recommend any proposed changes to the Board for approval.

Composition:

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

Name	Category	Number of meetings during the year 2021-22	
		Held	Attended
Mr. Subodh Nadkarni (Chairman)	Independent, Non-Executive	4	4
Mr. Keki Elavia	Independent, Non-Executive	4	4
Dr. Archana Hingorani	Independent, Non-Executive	4	4
Mr. B. Santhanam	Executive	4	4

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

Mr. Subodh Nadkarni, Chairman of the committee was present at the previous Annual General Meeting (“AGM”) of the Company held on July 28, 2021.

Meetings of the Audit Committee:

During the year ended March 31, 2022, four audit committee meetings were held. The dates on which the said meetings were held are as follows:

May 07, 2021; July 28, 2021; November 03, 2021 and February 03, 2022.

Necessary quorum was present for all the meetings.

B. NOMINATION AND REMUNERATION COMMITTEE

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

Terms of Reference:

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

Composition:

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

Name	Category	Number of meetings during the year 2021-22	
		Held	Attended
Mr. Subodh Nadkarni (Chairman)	Independent, Non-Executive	2	2
Mr. Keki Elavia	Independent, Non-Executive	2	2
Mr. Laurent Guillot [#]	Non-Executive	2	1
Mr. Anand Mahajan ^{##}	Promoter, Non-Executive	-	-
Mr. David Eric Molho ^{###}	Non-Executive	2	1

[#] Relinquished the position of Non-Executive Director with effect from close of business hours of August 05, 2021, due to other professional commitments.

^{##} Appointed as Member of committee on October 11, 2021 and resigned as Member of committee on December 31, 2021.

^{###} Appointed as Member of the committee with effect from November 03, 2021.

Meetings of the Nomination and Remuneration Committee:

Two meetings of the nomination and remuneration committee was held during the year on May 07, 2021 and February 03, 2022.

Nomination and Remuneration Policy:

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

Performance evaluation criteria for Independent Directors:

The Board of Directors, on recommendation of the nomination and remuneration committee, has adopted a framework for performance evaluation of the Board, its committees, individual directors and the chairperson through a survey questionnaire. The survey questionnaire broadly covers various aspects of Board functioning, composition of Board and its committees, culture, execution and performance of specific duties, obligation and governance. The evaluation parameters are based on the execution of specific duties, quality, deliberation at the meeting, independence of judgement, decision making, contribution of Directors at the meetings and functioning of the Committees.

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

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

Mr. Anand Mahajan is member of the Indian Promoters' Group, Mr. Sreedhar Natarajan, Mr. Laurent Tellier, and Mr. David Eric Molho are employees of Saint-Gobain Group.

Details of the Remuneration to the Directors for the financial year ended March 31, 2022 are given below:
Executive Directors:
(i) All elements of remuneration package i.e. salary, benefits, perquisites, profit commission, pension etc.:

Mr. B. Santhanam: ₹ 170.19 lakhs.

Mr. Krishna Prasad: ₹ 355.61 lakhs.

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

Fixed component is paid as salary and other perquisites. In addition, a profit commission, if applicable, is paid within the maximum ceiling on remuneration.

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

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

(iv) Stock Options:

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

Non-Executive Directors:

The Non-Executive Directors other than the nominee directors of CSG are paid sitting fees of ₹50,000 per meeting for Board and audit committee and ₹ 30,000 for its other committees.

The shareholder of the Company at the 67th AGM held on July 26, 2017, have approved payment of commission up to 1% of the net profits of the Company to its Non-Executive Directors (other than Nominee Directors of CSG) for a period of five years commencing from April 1, 2018. Out of the total commission payable, about 40% of the amount is paid to the Non-Independent Director(s) and the balance 60% is paid to Independent Directors based on the allocation approved by the Board of Directors.

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

(₹ lakhs)

Name	Sitting Fees	Profit Commission	Total
Mr. Keki Elavia	5.40	20.00	25.40
Dr. Archana Hingorani	5.40	20.00	25.40
Mr. Subodh Nadkarni	5.10	20.00	25.10
Mr. Anand Mahajan	3.40	40.00	43.40

Equity Shares held by Non-Executive Directors:

As on March 31, 2022, Mr. Anand Mahajan holds 5,09,904 equity shares of the Company, which represents 0.46% of total paid-up capital of the Company. No other Non-Executive Director hold any equity shares in the Company.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The Terms of Reference of the stakeholder relationship committee are in line with the Schedule II, Part D, clause B of the Listing Regulations.

Composition:

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

Name	Category	Number of meetings during the year 2021-22	
		Held	Attended
Dr. Archana Hingorani (Chairman)	Independent, Non-Executive	1	1
Mr. Anand Mahajan	Promoter, Non-Executive	1	1
Mr. B. Santhanam	Executive	1	1

Meetings of Stakeholders Relationship Committee:

During the year ended March 31, 2022, one meeting of the stakeholders relationship committee was held on July 28, 2021. 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 2021-22 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
0	11	11	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.co.in.

Composition:

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

Name	Category	Number of meetings during the year 2021-22	
		Held	Attended
Mr. Keki Elavia (Chairman)	Independent, Non-Executive	1	1
Mr. Laurent Guillot [#]	Non-Executive	1	-
Mr. B. Santhanam	Executive	1	1
Mr. David Eric Molho ^{##}	Non-Executive	1	-

[#] Relinquished the position of Non-Executive Director with effect from close of business hours of August 05, 2021, due to other professional commitments.

^{##} Appointed as Member of the committee with effect from November 03, 2021.

Meeting of the Corporate Social Responsibility Committee:

One meeting of the CSR committee was held during the year on May 07, 2021.

E. RISK MANAGEMENT COMMITTEE

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

Composition:

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

Name	Category	Number of meetings during the year 2021-22	
		Held	Attended
Mr. Laurent Guillot (Chairman) [#]	Non-Executive	2	-
Mr. Anand Mahajan (Chairman) ^{##}	Promoter, Non-Executive	2	2
Mr. B. Santhanam	Executive	2	2
Dr. Archana Hingorani	Independent, Non-Executive	2	2

[#] Relinquished the position of Non-Executive Director with effect from close of business hours of August 05, 2021, due to other professional commitments.

^{##} Appointed as Chairman of the Committee with effect from June 29, 2021.

Meeting of the Risk Management Committee:

Two meeting of the risk management committee were held during the year on November 03, 2021 and February 03, 2022.

F. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held on February 03, 2022, 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 Resolution Passed
July 25, 2019 at 3:00 p.m	M.C. Ghia Hall Bhogilal Hargovindas Building, 18/20K. Dubash Marg Kala Ghoda, Mumbai 400 001	None
July 24, 2020 at 3:00 p.m.	through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	Yes Re-appointment of Mr. Keki Elavia as an Independent Director of the Company Mr. Keki Elavia, Independent, Non-Executive was re-appointed for a second term of five consecutive years from July 23, 2019 to July 22, 2024.
July 28, 2021 at 3:00 p.m	through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	None

(b) Details of Resolutions passed through Postal Ballot and details of voting:

Three Ordinary Resolutions for appointment of Mr. Krishna Prasad (Director Identification No. 00130438) as a Director of the Company; appointment of Mr. Krishna Prasad (Director Identification No. 00130438) as a Whole-Time Director of the Company and appointment of Mr. David Eric Molho (Director Identification No. 09326249) as a Director of the Company as contained in a Notice to the Shareholders dated February 3, 2022 were passed during the year under a Postal Ballot. Mr. P. N. Parikh (Membership No. FCS 327, CP 1228) or failing him Mr. Mitesh Dhaliwala (Membership No. FCS 8331, CP 9511) and failing him Ms. Sarvari Shah (Membership No. FCS 9697, CP 11717) of M/s. Parikh & Associates, Company Secretaries, was appointed as the Scrutinizer to scrutinize the Postal Ballot through remote e-voting process in fair and transparent manner.

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

Resolution No. 1

Description: Ordinary Resolution for appointment of Mr. Krishna Prasad (Director Identification No. 00130438) as a Director of the Company

Voting Pattern: Remote e-Voting Pattern

Category	Number of Votes in favour	Number of Votes against	% of Votes in favour on Votes polled	% of Votes in against on Votes polled
Promoter and Promoter Group	6,43,01,772	0	100.00	0.00
Public Institutional holders	2,09,67,009	7,94,393	96.35	3.65
Public-Others	1,03,185	1,453	98.61	1.39
Total	8,53,71,966	7,95,846	99.08	0.92

Resolution No. 2

Description: Ordinary Resolution for appointment of Mr. Krishna Prasad (Director Identification No. 00130438) as a Whole-Time Director of the Company.

Voting Pattern: Remote e-Voting Pattern

Category	Number of Votes in favour	Number of Votes against	% of Votes in favour on Votes polled	% of Votes in against on Votes polled
Promoter and Promoter Group	6,43,01,772	0	100.00	0.00
Public Institutional holders	1,87,41,422	30,19,980	86.12	13.88
Public-Others	1,03,165	1,473	98.59	1.41
Total	8,31,46,359	30,21,453	96.49	3.51

Resolution No. 3

Description: Ordinary Resolution for appointment of Mr. David Eric Molho (Director Identification No. 09326249) as a Director of the Company.

Voting Pattern: Remote e-Voting Pattern

Category	Number of Votes in favour	Number of Votes against	% of Votes in favour on Votes polled	% of Votes in against on Votes polled
Promoter and Promoter Group	6,43,01,772	0	100.00	0.00
Public Institutional holders	2,16,92,723	68,679	99.68	0.32
Public-Others	1,03,384	1,256	98.80	1.20
Total	8,60,97,879	69,935	99.92	0.08

(c) Procedure for Postal Ballot:

The Company conducted the Postal Ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules") as amended. The Company had completed the dispatch of the Postal Ballot Notice dated February 3, 2022 along with the Explanatory Statement, through e-mail on February 14, 2022 to all the Members, whose names appear in the Register of Members/List of Beneficial Owners as received from Depositories as on Friday, February 4, 2022 (cut-off date) and who have registered their e-mail address with the Company / Depository. The Company also published a Notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Section 108 and 110 of the Act and Rule 20 and 22 of the Rules read with Regulation 44 of the Listing Regulations, the Company had offered the facility of e-voting to its Members to enable them to cast their vote electronically. The remote e-Voting period commenced from Tuesday, February 15, 2022 (9:00 a.m. IST) and ended on Wednesday, March 16, 2022 (5:00 p.m. IST). Upon completion of scrutiny of the votes cast through e-voting in a fair and transparent manner, the scrutinizer i.e. Mr. Mitesh Dhabliwala (FCS 8331) submitted his report to the Company and results of the Postal Ballot were announced by the Company on March 16, 2022. The voting results were sent to the Stock Exchanges and were also displayed on the Company's website, www.grindwellnorton.co.in and on the website of National Securities Depository Limited, www.evoting.nsdl.com.

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

No Special Resolution is proposed to be conducted through Postal Ballot.

5. MEANS OF COMMUNICATION

Quarterly Financial Results and Publications:

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

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

6. GENERAL SHAREHOLDERS' INFORMATION

(a) Annual General Meeting ("AGM") through VC/OAVM:

Day & Date : Friday, July 29, 2022

Time : 3:00 p.m. IST

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

Calendar of Financial Results for 2022-23:

- | | | |
|---|---|------------------------|
| (i) First Quarter Results | : | July/August, 2022 |
| (ii) Half-yearly Results | : | October/November, 2022 |
| (iii) Third Quarter Results | : | January/February, 2023 |
| (iv) Results for the year ending March 31, 2023 | : | April/May, 2023 |

(c) Date of Book Closure:

Thursday, July 21, 2022 to Friday, July 29, 2022 (both days inclusive).

(d) Date of payment of Dividend:

The dividend, if approved by the Members, shall be paid/credited on or from Monday, August 1, 2022.

(e) Listing on Stock Exchange(s):

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

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

The annual listing fees of BSE and NSE have been paid for the year 2022-2023.

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

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

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

L26593MH1950PLC008163

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

Month	NSE		BSE		Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)	Sensex High	Sensex Low
April, 2021	964.25	860.00	965.00	860.00	50375.77	47204.50
May, 2021	1305.00	910.00	1304.95	911.00	52013.22	48028.07
June, 2021	1259.25	1187.05	1320.95	1140.60	53126.73	51450.58
July, 2021	1390.00	1216.00	1388.85	1218.60	53290.81	51802.73
August, 2021	1309.95	1161.00	1300.00	1140.90	57625.26	52804.08
September, 2021	1510.70	1251.50	1509.05	1253.00	60412.32	57263.90
October, 2021	1649.80	1364.20	1648.00	1368.00	62245.43	58551.14
November, 2021	1876.50	1550.10	1875.00	1550.50	61036.56	56382.93
December, 2021	1925.00	1620.00	1925.00	1621.00	59203.37	55132.68
January, 2022	2018.35	1771.25	2025.45	1771.40	61475.15	56409.63
February, 2022	1950.00	1504.80	1950.00	1517.35	59618.51	54383.20
March, 2022	1975.00	1578.55	1969.05	1549.75	58890.92	52260.82

(i) Registrars and Transfer Agents:

TSR Consultants Private Limited ("TCPL")
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083
Telephone: + 91 22 6656 8484
Fax: + 91 22 6656 8494
E-mail: csgunit@tcplindia.co.in
Website: www.tcplindia.co.in

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

For the convenience of the shareholders, documents will also be accepted at the following branches of TCPL:

a. Branches of TCPL:

- **Bengaluru**
C/o. Mr. D. Nagendra Rao
"Vaghdevi" 543/A, 7th Main
3rd Cross, Hanumanthnagar
Bengaluru 560 019
Telephone: +91 80 26509004
Email: tsrdlbang@tcplindia.co.in
- **New Delhi**
C/o Link Intime India Private Limited
Noble Heights, 1st Floor
Plot No NH-2, C-1 Block, LSC
Near Savitri Market, Janakpuri
New Delhi 110 058
Telephone: +91 11 49411030
Email: tsrdldel@tcplindia.co.in
- **Ahmedabad**
C/o Link Intime India Private Limited
Amarnath Business Centre-1 (ABC-1)
Beside Gala Business Centre
Nr. St. Xavier's College Corner
Off. C.G. Road, Ellisbridge
Ahmedabad 380 006
Telephone: +91 79 26465179
Email : csg-unit@tcplindia.co.in
- **Kolkata**
C/o Link Intime India Private Limited
Vaishno Chamber Flat No. 502 & 503
5th Floor 6, Brabourne Road
Kolkata 700 001
Telephone: +91 33 40081986
Email: tsrdlcal@tcplindia.co.in
- **Jamshedpur**
Bungalow No. 1, 'E' Road
Northern Town Bistupur
Jamshedpur 831 001
Telephone: +91 657 2426937
Email: tsrdljsr@tcplindia.co.in

(j) Share Transfer System:

In terms of Regulation 40(1) of the Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The certain officials of TCPL authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

Pursuant to SEBI circular dated 25th January 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

(k) Shareholding Pattern as on March 31, 2022:

Category	Number of Shareholders	Number of Shares	Percentage
Promoters:			
Foreign	2	5,68,28,000	51.33
Indian	9	74,73,772	6.75
Insurance Companies and Banks	12	7,89,256	0.71
UTI and Mutual Funds	60	1,61,73,726	14.61
NRI, OCBs, FIIs and FPIs	1,193	87,62,529	7.91
Domestic Companies and Trusts	462	49,13,047	4.44
Residential Individuals	44,880	1,57,79,670	14.25
Total	46,618	11,07,20,000	100.00

(l) Distribution of Shareholdings:

Number of Equity Shares	Number of Shares	Percentage of Capital	Number of Shareholders	Percentage of total Shareholders
Upto 250	15,27,725	1.38	40,084	85.98
251 to 500	11,75,890	1.06	3,121	6.70
501 to 1000	15,71,436	1.42	2,033	4.36
1001 to 5000	21,80,784	1.97	1,027	2.20
5001 to 10000	8,55,171	0.77	119	0.26
10001 to 100000	47,36,748	4.28	147	0.32
100001 and above	9,86,72,246	89.12	87	0.18
Total	11,07,20,000	100.00	46,618	100.00

(m) Dematerialisation of shares and liquidity:

99.35% of the paid-up capital has been dematerialised as on March 31, 2022.

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

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on March 31, 2022, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

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

GNO's foreign currency exposure on account of imports and exports are appropriately hedged. GNO has a well-defined and structured treasury operations, with the emphasis being on security. Please refer to Management Discussion and Analysis Report. GNO does not have direct exposure to Commodity risk and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

(p) Credit Ratings:

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

(q) Preferential Allotment or Qualified Institutions placement:

The Company has not made any preferential allotment or qualified institutions placement during the financial year 2021-22.

(r) Fees to Statutory Auditors:

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

Particulars	Amount
Audit Fees	43.14
Tax Audit	2.50
Certification	0.75
Reimbursement of expenses	0.18
Total	46.57

(₹ lakhs)

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

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

(t) Plant Locations:

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

(u) Address for correspondence:

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

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

7. DISCLOSURES

(a) Materially Significant Related Party Transactions:

There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. Transactions with related parties, as per the requirements of Indian Accounting Standards ("Ind AS") - 24, are disclosed in Note 47 of Notes forming part of financial statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link: <http://www.grindwellnorton.co.in/investor-information>.

(b) Compliance:

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

(c) Whistle Blower Policy and Vigil Mechanism:

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

(d) Mandatory and Non-mandatory requirements:

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

- (i) The financial statements of the Company are unmodified.
 - (ii) The Internal Auditor directly report to the Audit Committee.
- (e)** The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary Company. The minutes of the board meetings of the unlisted subsidiary Company are periodically placed before the Board of Directors of the Company. The Company has a subsidiary incorporated in Bhutan. However, it is not a material subsidiary in terms of the Regulation 16 (1) (c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. The policy on determination of materiality is available on the website of the Company (web link <https://www.grindwellnorton.co.in/investors/policies>).
- (f)** The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

8. PROMOTERS' GROUP

i. Indian Promoters:

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

ii. Foreign Promoters (Collaborators):

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

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

- (a) Saint-Gobain India Private Limited
- (b) Saint-Gobain Industries India Private Limited
- (c) Saint-Gobain India Foundation
- (d) Saint-Gobain Sekurit India Limited

9. OTHER INFORMATION

(a) CEO/CFO certification:

Pursuant to the provisions of Regulation 17(8), Part B of Schedule II of Listing Regulations, the Managing Director ("CEO") and the Vice President-Finance & IT ("CFO") have issued a certificate to the Board of Directors, for the financial year ended March 31, 2022.

(b) Code of Conduct:

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



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

This is to confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2022.

For **Grindwell Norton Limited**

Bengaluru, May 6, 2022

B. SANTHANAM
Managing Director

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Grindwell Norton Limited

We have examined the compliance of the conditions of Corporate Governance by Grindwell Norton Limited ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

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

For **Parikh & Associates**
Company Secretaries

Place : Mumbai
Date : May 6, 2022

MITESH DHABLIWALA
Partner
FCS No: 8331 CP No: 9511
UDIN: F008331D000277591
PR No.: 1129/2021

BUSINESS RESPONSIBILITY REPORT

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

Introduction

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:** L26593MH1950PLC008163
- Name of the Company:** Grindwell Norton Limited
- Registered address:** 5th Level, Leela Business Park, Andheri-Kurla Road, Marol, Andheri (East), Mumbai 400 059
- Website:** www.grindwellnorton.co.in
- E-mail id:** sharecmpt.gno@saint-gobain.com
- Financial Year reported:** April 1, 2021 to March 31, 2022
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

NIC Code	Product Description
2399	Abrasives
2391	Refractory Products

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

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

Number of National Locations: GNO has its registered and corporate office in Mumbai and its manufacturing units are located in Mora (near Mumbai), Bengaluru, Tirupati, Nagpur, Bated (Himachal Pradesh) and Halol (near Vadodara). The regional/ branch offices are located at Ahmedabad, Bengaluru, Chennai, Jamshedpur, Kolkata, Ludhiana, Noida, Pune, and Navi Mumbai.

Markets served by the Company: The markets for the Company's products are across India and overseas.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	FY 2021-22 (₹ lakhs)
1.	Paid-up Capital	55,36.00
2.	Revenue from Operations	2,005,62.17
3.	Profit after Tax	297,99.95
4.	Total Spending on CSR i) In ₹ lakhs ii) As % of average profit of immediately preceding three financial years	5,10.49 2.01%
5.	List of major activities in which expenditure in 4 above has been incurred	Primarily, education of underprivileged children

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies? Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s): Yes, the Company's overseas subsidiary participates in BR initiatives.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]: Some suppliers/customers/associates participate in such activities although it is difficult to ascertain the percentage..

SECTION D: BR INFORMATION
1. Details of Director/Directors responsible for BR
(a) Details of Director/Director responsible for implementation of the BR policy/policies:

Sr. No.	Particulars	Details
1.	DIN Number	00494806
2.	Name	Mr. B. Santhanam
3.	Designation	Managing Director

(b) Details of the BR head

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

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

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

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**
- P3 Businesses should promote the wellbeing of all employees**
- P4 Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**
- P5 Businesses should respect and promote human rights**
- P6 Businesses should respect, protect, and make efforts to restore the environment**
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner P8 Businesses should support inclusive growth and equitable development**
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner**

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

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

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: Annually.
- (b) Does the Company publish a BR or a Sustainable Report? What is the hyperlink for viewing this report? How frequently it is published?

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

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

GNO believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. GNO adopted the “Code of Conduct” with the underlying philosophy of engaging with all stakeholders (including suppliers, channel partners, customers, employees, shareholders, the government and the public at large) in a fair and highly ethical manner. The compliance programme which strengthens the effective application of the Code of Conduct is an ongoing obligation of the Company as well as of the employees. Various tools are implemented to monitor the compliance programme. Also e-learning modules are developed in order to train employees about the Compliance programme.

The Code of Conduct provides guidelines on equal opportunities for all, enabling work environment, compliance, procurement practices, free and fair competition and environment, health and safety. All new employees are provided with the Code of Conduct in the welcome kit as part of their induction and also training is provided to all employees on a continuous basis. These policies and guidelines are also communicated to various other stakeholders such as suppliers, customers and associates and it is expected that they will follow the same in their dealings with the Company. The Company periodically cascades the principles embodied in the Code of Conduct across the organization.

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

During the financial year 2021-22, two cases was reported under the Code of Conduct framework and the same was investigated and dealt with in accordance with the Code of Conduct procedure.

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

Principle 2

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

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

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

GNO is committed to responsible purchasing. This purchasing approach is based on the Suppliers’ Charter which sets out the Company’s expectations and requirement from its suppliers, among other things, on protection of the environment, on health and safety of their employees, on compliance with all laws and regulations and on human rights. Responsible purchasing is built on two pillars, Purchase Charter and Supplier Charter. It comprises of three stages,

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

Suppliers who violate the Charter are black-listed and GNO stops dealing with them.

All sites of GNO have ongoing projects aimed at reducing the generation of waste and increasing the recycling of waste. Overall waste reduced marginally compared to the previous year. However, on a longer horizon, GNO sites have reduced the non-recoverable wastes by nearly 39% over the last 10 years. Towards this, in some business, new products have been developed which can utilize the waste generated from certain other products. Saint-Gobain Group’s sustainable water management policy has been implemented in India. Some of the sites have undertaken rainwater harvesting projects. All sites have invested in effluent treatment plants to recycle and reuse a significant part of their water consumption. The Company is committed to provide products which are safe and to innovate on the basis of sound technology and applying rigorous standards of product safety.

Principle 3

Businesses should promote the wellbeing of all employees

The aim of the GNO’s human resources policy is to provide each employee with a working environment that is safe and hygienic and that fosters personal and professional fulfillment and growth, as these are fundamental aspects of well-being and performance at the workplace. GNO adopted the “Saint-Gobain Attitudes” which set out the behaviours expected from employees. There is a clearly defined career philosophy which revolves around job rotation and diversity of experiences at all stages of the individual career.

Health and Safety:

The health and safety of its employees is deeply embedded in Saint-Gobain’s CSR, EHS and HR policies. The Group’s Environment, Health and Safety (“EHS”) Charter, communicated to all employees, set out the objectives which include zero lost-time accidents and zero occupational illness. Saint-Gobain has drawn up standards and recommendations with regard to specific EHS concerns. The standards are mandatory and apply to all sites of the Group, even if the country or local legislation is less stringent. GNO’s EHS policy states that as a responsible corporate citizen and employer, we have an obligation to the public, in general, and to our employees, in particular, to operate our facilities and to conduct our business in such a way as to; (1) ensure the health and safety of all our employees; and (2) to protect the environment. GNO’s management, at every level, from the top to the shop-floor, monitors and reports accidents (lost-time and non-lost-time), first aid cases and near misses. GNO also continuously identifies and reduces risks and offers itself for periodic audits. The health and safety policies apply to everyone (employees, service providers, participants of onsite initiatives viz. student interns, apprentices, visitors) at all the sites of your Company. GNO emphasizes the importance of healthy living to all the employees and facilitates the same by providing regular health check-ups (and other medical advisory interventions) to all its employees. GNO has also implemented Safety and Health Risk assessment tool to assess and monitor the industrial hygiene and safety risks to which any person working on the Company’s sites may be exposed. This tool helps the Company to identify the risk and provide sufficient training to the employees and also to set the improvement in processes to eliminate/reduce the risk.

Diversity:

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

Total number of employees (permanent/temporary/contractual/casual)	4634
Total number of permanent employees	2178
Total number of employees hired on temporary/contractual/casual basis	2456
Number of permanent women employee	291
Number of permanent employees with disabilities	7
Whether the employee association is recognized by the Management	yes
Percentage of your permanent employees are the members of this recognized employee association	21%
Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	NIL
Percentage of the employees were given safety & skill up-gradation training in the last year	100%

Awareness (web-based) programmes are carried out to raise awareness on the issue of sexual harassment at the workplace. All employees (including, new joiners, trainees, interns) are required to complete a mandatory e-learning programme on sexual harassment at the workplace.

Principle 4

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

The success of the business enterprises is always measured in terms of the value it creates in society. The main purpose of any business is to fully meet the needs of its customers. In addition, the value a business creates can be measured in terms of employee development, supplier development, returns to shareholders, taxes paid to the government and community development. GNO contributes to the economic development in the regions in which it operates by creating several upstream and downstream indirect jobs. The responsible purchasing approach is designed to extend the Company's good business practices to partners all the way up and down the value chain. GNO is an equal opportunity employer and provides equal opportunities to differently-abled, marginalized people and people from economically weaker backgrounds. The internal and external stakeholders mapped are identified and disadvantaged, vulnerable and marginal stakeholders are provided with the opportunity. The Company is engaged in providing skill development training to these stakeholders through National Employability Enhancement Mission ("NEEM") programme. Around 68 people are currently undergoing training under this programme. GNO contributes to the Saint-Gobain India Foundation whose main objective is the education of underprivileged children and protecting the environment.

Principle 5

Businesses should respect and promote human rights

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

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

In addition, as per the Suppliers' Charter, suppliers are required to declare and to ensure that they strictly respect the human rights of their employees. In particular, they must declare and ensure that they refrain from any form of recourse to forced labour, compulsory labour or child labour - whether directly or indirectly or through their sub-contractors. Some of the major suppliers are subject to periodic audits and are evaluated on the EHS and labour practices, and business ethics followed by them.

No complaint pertaining to Human Rights violation, Child Labour and Forced Labour during the financial year 2021-22 has been received by your Company.

Principle 6

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

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

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

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

It is the endeavor of the Company to commit to Clean Development. At present, the Company has not registered any project under Clean Development Mechanism. GNO is, however, committed to drive energy conservation. GNO continued its journey towards Carbon neutrality launching several measures such as energy conservation and shifting to low carbon alternates. This is achieved through operating plants and offices efficiently and driving Green Initiatives and Resource Conservation. In its continuous effort to move towards adopting Renewable Energy sources, the Company completed the installation of the captive wind power plant of 2.50 MW capacity at its Mora facility. The Company, Bengaluru facility shifted 100% from the furnace oil to natural gas in 2021. This in addition to the long term Green power purchase agreement helped the location to reduce the CO2 emissions by 51% in 2021 over a 5-year period.

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

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

1. Reduction in energy consumption by use of energy efficient lightings in offices and plant premises and reduction of kiln cycle hours through optimization of the process.
2. Reduction in noise level by providing enclosures with noise absorbent pads and silencer provided for the exhaust pipes and at suction blower in the kiln.
3. Reduction in water consumption by eliminating the losses.
4. Usage of natural gas as an alternative fuel to furnace oil and diesel.

The Saint-Gobain Group's sustainable water management policy has been implemented in India. All sites of GNO have taken steps to reduce the amount of withdrawals and discharges. Most of the sites have undertaken rainwater harvesting projects. Most of GNO's sites have invested in effluent treatment plants and the recycled water is used in the site. All sites have taken steps to reduce the amount of withdrawals and discharges. The total water withdrawal across all business reduced by 1% in 2021.

Currently, GNO recycles its wastewater, besides ensuring "zero discharge" of industrial water.

Principle 7

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

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

Principle 8

Businesses should support inclusive growth and equitable development

Our environment management aims toward ensuring that the ecosystem services in areas where we operate are protected and maintained for equitable use by future generations. The Company has adopted the Group's Corporate Social Responsibility ("CSR") policy and adapted it to the Indian context. For the Group, CSR is at the heart of its strategy of sustainable development. CSR impacts every aspect of how it conducts its business and is far more than philanthropy.

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

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

Akanksha Foundation is an NGO that works primarily in the field of education of underprivileged children through Akanksha Schools. Akanksha adopts, manages and operates government schools in Mumbai. Saint-Gobain India Foundation supported 380 students of Natwar Nagar Mumbai Public School for 2021-22.

Aseema is a Mumbai based NGO working for the rights of underprivileged children living in the streets and in slum communities. It supports poorly functioning municipal schools and helps improve students learning. Saint-Gobain India Foundation has sponsored the education of around 170 children at the Santacruz (West) Municipal School, Mumbai and Igatpuri.

Parikrma aims at creating a sustainable model by effecting a fundamental change in the way the poor and marginal children are educated. Saint-Gobain India Foundation supports 260 students in Bengaluru.

SOS Children's Villages of India is committed to the welfare of orphaned and abandoned children and provides shelter and education to such children. Saint-Gobain India Foundation supports 190 children at SOS village in Bengaluru.

United way of Mumbai support for early childhood care & education and supplementary primary education for children for Ankuran Raigad for 100 students.

Yash Charitable trust provide rehabilitation, skill development training and livelihood opportunities, through skilling and supported employment opportunity for 20 differently able beneficiaries.

In addition to the above, the Company has contributed towards COVID-19 initiatives, extended support to people affected by the pandemic - distribution of PPE kits, medical and infrastructure support like setting up oxygen concentrator etc.

Principle 9

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

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

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

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

The customer complaints are reviewed by senior personnel in each business. All the complaints received during the year were resolved successfully and there were no pending complaints at the end of the year.

GNO's products meet the highest standards of quality and safety and comply with the various regulations such as Legal Metrology Act, Trademark Act and Copyright Act, ISO 9001, ISO 14001 and OHSAS 18001, wherever applicable. The Company's communications are aimed at enabling customers to make informed purchase decisions. The Company also makes efforts to educate customers on the responsible usage of its products and services.

The employees of GNO are expected to comply at all times with Competition Law and follow fair practices. Relevant employees are required to do a mandatory e-learning course on compliance with Competition Law. This has to be completed every two years.

The Management of GNO regularly reminds them of Saint-Gobain's policy of zero tolerance on any violation of Competition Law. During the year, there were no anti-competitive, abuses of dominant position or unfair practices complaints against the Company and there are no cases pending against the Company.

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

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

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Grindwell Norton Limited (“the Company”), which comprise of the Standalone Balance Sheet as at March 31, 2022, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Key audit matters

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

Key Audit Matters	How our audit addressed the key audit matter
Assessment of valuation of Unquoted Equity Investment	
<p>Refer to Notes 5 and 40 to the standalone financial statements</p> <p>The Company has investments amounting to ₹ 19,007.00 lakhs in equity interest of two unquoted companies valued on ‘Fair Value through Other Comprehensive Income’ in accordance with related Accounting Standard.</p> <p>In measuring these investments, valuation methods are used based on inputs that are not directly observable from market information and certain other unobservable inputs. The Management has also used the services of an independent professional valuation expert in this regard.</p> <p>Key inputs used in the valuation of the above investments are, cash flow projections, growth rate, terminal value, discount rate, net asset value etc.</p> <p>The valuation of these investments is a focus area of our audit as it is highly dependent on estimates (including various assumptions and techniques used) which contain assumptions that are not observable in the market.</p> <p>Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the standalone financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.</p>	<p>Our procedures to test the valuation of investment in the unquoted equity instruments include the following:</p> <ul style="list-style-type: none"> • Understanding and evaluation of design and testing of operating effectiveness of the controls over determination of fair value (including valuation model and assumptions/ judgements) of unquoted equity instruments. • Assessing the accuracy and reasonableness of the input data provided by the Management by agreeing with approved budgets. • Comparing recent historical results vis-à-vis corresponding budgets. • Evaluation of competence, capabilities and objectivity of the valuation expert engaged by the Management. • Assessment of reasonableness of cash flow projections and performed audit procedures on management’s assumptions such as earnings, growth rate, cost escalation/ savings etc. and also along with the auditor’s expert, assessed valuation methodology, discount rate, terminal growth rate, etc. • Tested the mathematical accuracy of the discounted cash flow projections. Traced the net assets value to the financial statements of the investee. • Assessed adequacy of relevant disclosures in the standalone financial statements. <p>Based on the above audit procedures performed, the Management’s assessment of valuation of investment in the unquoted equity instruments was considered to be reasonable.</p>

Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone financial statements

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

Auditor's responsibilities for the audit of the standalone financial statements

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

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

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 43 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 during the year ended March 31, 2022.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 50 to the standalone financial statements);

- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 50 to the standalone financial statements); and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Sachin Parekh
Partner
Membership Number - 107038
UDIN- 22107038AIMNLB4478

Place - Bengaluru
Date - May 6, 2022

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Grindwell Norton Limited on the standalone financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to the financial statements of Grindwell Norton Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 issued by ICAI.

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

Sachin Parekh
Partner:
Membership Number - 107038
UDIN- 22107038AIMNLB4478

Place - Bengaluru
Date - May 06,2022

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Grindwell Norton Limited on the standalone financial statements as of and for the year ended March 31, 2022

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 on the standalone financial statements, are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right-of-use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by the Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. (a) The Company has made investments in one Limited Liability Partnership and eleven mutual funds and granted unsecured loans/advances in nature of loans to its employees, during the year. The Company has not made investments in nor provided any guarantee or security or granted any loans/advances in the nature of loans, secured or unsecured, to companies and firms during the year.
- (b) In respect of the aforesaid investments and loans/advances in nature of the loan, the terms and conditions under which such loans were granted and investments were made are not prejudicial to the Company's interest.
- (c) In respect of the loans/advances in nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the parties are repaying the principal amount, as stipulated and are also regular in payment of interest, as applicable.
- (d) In respect of the loans/advances in nature of loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans /advances in nature of loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same party to settle the existing overdue loans/advances in nature of loan.
- (f) The loans/advances in nature of loans granted during the year, including to promoters/related parties had stipulated the schedule of repayment of principal and payment of interest and the same were not repayable on demand.

- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of the loans or investment made or guarantee or security provided by it. The Company has not granted any loan or provided any guarantee or security to the parties covered under Section 185 of the Act.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues in respect of goods and service tax, provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2022, which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakhs)*	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	50.52	Financial year 2005-06 to 2011-12	Customs, Excise and Service Tax Appellate Tribunal
The Customs Act, 1962	Customs Duty	183.03	Financial Years 2006-07 to 2012-13	Customs, Excise and Service Tax Appellate Tribunal
The Central Sales Tax Act, 1956	Central Sales Tax	2.39	Financial year 2010-11	Assistant Commissioner
The Gujarat Value Added Tax Act, 2003	Value Added Tax	36.44	Financial year 2009-10	Gujarat Value Added Tax Tribunal
The Income Tax Act, 1961	Income Tax	48.71	Assessment Year 2017-18	Commissioner of Income Tax Appeals
		440.14	Assessment Year 2007-08 to 2009-10	Honorable High Court of Bombay

*Net of amount paid under protest

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions, which are not recorded in the books of accounts, that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, joint venture or associate.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary, joint venture or associate.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under section 143(12) of the Act, in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistleblower complaints during the year which have been considered by us for any bearing on our audit and reporting.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under Clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under Clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial/housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under Clause 3(xvi)(d) of the Order is not applicable to the Company.

- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly, the reporting under Clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (also refer note 47 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Sachin Parekh
Partner
Membership Number - 107038
UDIN- 22107038AIMNLB4478

Place - Bengaluru
Date - May 06, 2022

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	March 31, 2022	March 31, 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	344,34.55	328,54.94
Right-of-use asset	3A	11,28.50	10,48.69
Capital work-in-progress	3	66,04.31	23,78.63
Goodwill	4	48.80	48.80
Other intangible assets	4	9,50.09	8,57.11
Intangible assets under development	4	86.59	-
Financial assets			
i. Investments	5	221,85.53	212,37.02
ii. Loans	6	3,90.49	79.11
iii. Other financial assets	7	35,54.99	8,97.46
Other non-current assets	8	38,01.49	19,29.94
Total non-current assets		731,85.34	613,31.70
CURRENT ASSETS			
Inventories	9	437,37.20	314,62.33
Financial assets			
i. Investments	10	330,25.39	521,39.99
ii. Trade receivables	11	236,28.18	199,75.78
iii. Cash and cash equivalents	12	32,67.39	15,90.12
iv. Bank balances other than (iii) above	13	235,20.72	106,18.38
v. Loans	14	66.83	30.86
vi. Other financial assets	15	19,13.98	17,63.90
Other current assets	16	63,48.98	53,48.55
Total current assets		1,355,08.67	1,229,29.91
TOTAL ASSETS		2,086,94.01	1,842,61.61
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17	55,36.00	55,36.00
Other equity	18	1,507,68.17	1,301,69.54
Total equity		1,563,04.17	1,357,05.54
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
i. Lease liabilities	19	6,64.60	4,66.93
Provisions	20	26,77.50	25,90.71
Deferred tax liabilities (Net)	21	15,50.47	19,31.51
Other non-current liabilities	22	56.05	69.99
Total non-current liabilities		49,48.62	50,59.14
CURRENT LIABILITIES			
Financial liabilities			
i. Borrowings	23	2,15.34	-
ia. Lease liabilities	23	4,71.20	5,69.91
ii. Trade payables	24		
(a) Total outstanding dues of micro and small enterprises		5,74.73	5,46.45
(b) Total outstanding dues of creditors other than (ii)(a) above		314,85.78	306,80.50
iii. Other financial liabilities	25	62,76.51	56,35.25
Provisions	26	27,19.22	22,62.56
Current tax liabilities (Net)	27	14,09.02	6,79.06
Other current liabilities	28	42,89.42	31,23.20
Total current liabilities		474,41.22	434,96.93
TOTAL LIABILITIES		523,89.84	485,56.07
TOTAL EQUITY AND LIABILITIES		2,086,94.01	1,842,61.61
Significant Accounting Policies	1.3		

The accompanying notes (1 to 50) are an integral part of the Standalone financial statements.

As per our Report of even date

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

Sachin Parekh
Partner
Membership No. 107038
Bengaluru : May 6, 2022

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

Keki M. Elavia
B. Santhanam
Deepak Chindarkar
K. Visweswaran

Bengaluru : May 6, 2022

Chairman
Managing Director
Chief Financial Officer
Company Secretary
DIN 00003940
DIN 00494806

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	March 31, 2022	March 31, 2021
INCOME			
Revenue from Operations	29	2,005,62.17	1,632,90.30
Other Income	30	53,06.20	50,96.88
Total income		2,058,68.37	1,683,87.18
EXPENSES			
Cost of materials consumed	31	711,16.55	535,62.48
Purchases of stock-in-trade	32	258,54.86	165,29.61
Changes in inventories of work-in-progress, stock-in-trade and finished goods	33	(72,05.26)	31,55.05
Employee benefits expense	34	248,12.32	205,42.04
Finance costs	35	3,96.00	3,24.25
Depreciation and amortisation expense	36	51,24.03	51,89.47
Other expenses	37	458,07.38	371,20.69
Total expenses		1,659,05.88	1,364,23.59
Profit before tax		399,62.49	319,63.59
Income tax expenses	38		
-Current tax		107,80.48	78,74.44
-Deferred tax		(6,17.94)	(1,18.00)
Total tax expenses		101,62.54	77,56.44
Profit for the year		297,99.95	242,07.15
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post employment benefit obligations - gain/(loss)		(3,33.71)	(2,57.11)
Change in fair value of equity instruments at Fair Value through Other Comprehensive Income (FVOCI)		16,47.00	26,67.00
Income tax relating to these items			
-Current tax		83.99	64.71
-Deferred tax		(2,36.90)	(5,15.36)
Other comprehensive income for the year, net of tax		11,60.38	19,59.24
Total comprehensive income for the year		309,60.33	261,66.39
Earnings per equity share (Face value of ₹ 5/- each)			
Basic earnings per equity share (in ₹)	39	26.91	21.86
Diluted earnings per equity share (in ₹)	39	26.91	21.86
Significant Accounting Policies	1.3		

The accompanying notes (1 to 50) are an integral part of the Standalone financial statements.

As per our Report of even date

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

Sachin Parekh
Partner
Membership No. 107038

Bengaluru : May 6, 2022

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

Keki M. Elavia
B. Santhanam
Deepak Chindarkar
K. Visweswaran

Bengaluru : May 6, 2022

Chairman
Managing Director
Chief Financial Officer
Company Secretary

DIN 00003940
DIN 00494806

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

I) EQUITY SHARE CAPITAL

	Notes	Amounts
Balance as at March 31, 2020		55,36.00
Changes in equity share capital	17	-
Balance as at March 31, 2021		55,36.00
Changes in equity share capital	17	-
Balance as at March 31, 2022		55,36.00

II) OTHER EQUITY

	Notes	Reserves and Surplus			Other Items of Equity			Total
		Securities Premium	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Revaluation Surplus	Share Based Payment Account	
Balance as at March 31, 2020		27,90.82	402,01.34	589,36.71	91,62.23	3,35.34	7,04.29	1,121,30.73
Profit for the year	18	-	-	242,07.15	-	-	-	242,07.15
Remeasurement of post employment benefit obligation, net of tax		-	-	(1,92.40)	-	-	-	(1,92.40)
Share Based Payment (Refer Note 46)		-	-	-	-	-	1,76.42	1,76.42
Change in fair value of Equity Instruments through Other Comprehensive Income, net of tax	18	-	-	-	21,51.64	-	-	21,51.64
Transactions with owners in their capacity as owners		-	-	(83,04.00)	-	-	-	(83,04.00)
Dividend for the financial year 2019-20		-	-	746,47.46	113,13.87	3,35.34	8,80.71	1,301,69.54
Balance as at March 31, 2021		27,90.82	402,01.34	297,99.95	-	-	-	297,99.95
Profit for the year	18	-	-	(2,49.72)	-	-	-	(2,49.72)
Remeasurement of post employment benefit obligation, net of tax		-	-	-	-	-	1,56.70	1,56.70
Share Based Payment (Refer Note 46)		-	-	-	-	-	-	-
Change in fair value of Equity Instruments through Other Comprehensive Income, net of tax	18	-	-	-	14,10.10	-	-	14,10.10
Transactions with owners in their capacity as owners		-	-	(105,18.40)	-	-	-	(105,18.40)
Dividend for the financial year 2020-21		-	-	936,79.29	127,23.97	3,35.34	10,37.41	1,507,68.17
Balance as at March 31, 2022		27,90.82	402,01.34	936,79.29	127,23.97	3,35.34	10,37.41	1,507,68.17

The accompanying notes (1 to 50) are an integral part of the Standalone financial statements.

As per our Report of even date

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

Sachin Parekh
Partner
Membership No. 107038
Bengaluru : May 6, 2022

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

DIN 00003940
DIN 00494806

Keki M. Elavia
B. Santhanam
Deepak Chindarkar
K. Visweswaran
Chairman
Managing Director
Chief Financial Officer
Company Secretary
Bengaluru : May 6, 2022

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 1

1.1 CORPORATE INFORMATION

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

1. Abrasives;
2. Ceramics and Plastics; and
3. IT Services

The Standalone Financial Statements of the Company for the year ended March 31, 2022 were authorized for issue in accordance with a resolution of the Board of Directors on May 6, 2022.

1.2 BASIS OF PREPARATION

(i) Compliance with Ind AS

The Standalone Financial Statements comply in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), and other relevant provisions of the Act as applicable.

(ii) Historical cost convention

The Standalone Financial Statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments calculated using the Black and Scholes option pricing model for the shares of Ultimate Parent Company

(iii) Current versus non-current classification

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

(iv) New standard adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2021.

- Extended Covid-19 Related Concessions - Ind AS 116 "Leases"
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any material impact on the amounts recognised in current and prior periods and are not expected to significantly affect the future periods.

(v) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(vi) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 1, 2021.

Consequent to above, the Company has changed the classification/presentation of security deposits, in the current year.

Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in Other financial assets line item. Previously, these deposits were included under the 'Loans' line item.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS1.

1.1.3 SIGNIFICANT ACCOUNTING POLICIES

A. Property, plant and equipment

(i) Recognition and measurement:

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

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

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

The capital work in progress is capitalised when it is ready for management's intended use.

(ii) Subsequent Expenditure:

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

(iii) Depreciation:

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

B. Intangible assets

(i) Recognition and measurement:

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

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

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

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

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

(ii) Amortisation :

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

- | | | |
|------------------------|---|--------------|
| (i) Computer Software | : | 3 to 5 Years |
| (ii) Other Intangibles | : | 10 Years |

C. Impairment of Assets

(i) Financial assets

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

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, and bank balance.
- (b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

(ii) Non-financial assets

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

D. Inventories

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

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

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

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

E. Investments and other financial assets

(i) Classification

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

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and
- Those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

(ii) Measurement

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss. Dividends from such investments are recognised in profit and loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit and loss are recognised in other income in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Derecognition

A financial asset is derecognised only when,

- (a) The Company has transferred the rights to receive cash flows from the financial asset or
- (b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

F. Cash and cash equivalents

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

G. Financial Liabilities

(i) Measurement

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

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

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

(ii) Derecognition

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

H. Foreign currency translation

(i) Functional and presentation currency:

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

(ii) Transactions and balances

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

I. Forward contracts - Not designated as hedges

The Company enters into derivative contracts (forward contracts) to hedge the risk of foreign exchange fluctuations. Such contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The contracts are accounted for at fair value through profit and loss.

J. Revenue recognition

(i) Sale of goods

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

(ii) Service income

Service income mainly includes income from IT support services. Revenue generated by the sale of services is recognized when the services have been rendered, or by reference to the stage of completion of the services, as per the rates calculated based on estimated costs plus fixed percentage of mark up.

(iii) Dividend

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

(iv) Interest income

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

(v) Other operating income

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

K. Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

Post-employment obligations

The Company operates the following post-employment schemes:

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

Defined Benefit Plan - Gratuity obligations

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

Defined contribution plans

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

(iii) Share-based payments

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

(iv) Termination benefits

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

L. Borrowing Costs

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

M. Income Tax

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

paid to the tax authorities.

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

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

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

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

N. Provisions and Contingencies

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

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

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

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

Contingent liabilities not provided for as per above are disclosed in notes forming part of the Standalone Financial Statements.

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

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

O. Earnings per share

(i) Basic earnings per share

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

(ii) Diluted earnings per share

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

P. Segment reporting

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

Q. Government grants

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

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

R. Leases

As a lessee

The Company mainly has lease arrangements for land and building (office premises and warehouses).

The Company assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether there is an identified asset, whether the Company has the right to direct the use of the asset and whether the Company obtains substantially all the economic benefits from the use of that asset.

The Company recognises a right-of-use asset and a corresponding lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Country, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset on the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability is accounted at amortised cost. The lease liabilities are adjusted for the lease payments made by the Company. Lease payments are allocated between principal and finance cost. Finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. In case of changes in the future lease payments due to renegotiation, changes of an index or rate, the lease liability is remeasured (with a corresponding adjustment to the related right-of-use asset).

Short-term leases and leases of low-value assets: The Company has elected not to recognize right-of-use assets and lease liabilities for short term leases as well as low value assets.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

S. Offsetting financial instruments

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

T. Rounding off amounts

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 2

2.1 USE OF JUDGMENTS, ESTIMATE AND ASSUMPTIONS

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

Judgment, estimates and assumptions are required in particular for:

a) Determination of the estimated useful lives of tangible assets

Useful lives of tangible assets are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Recognition and measurement of defined benefit obligations

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

c) Measurement of Fair valuation of financial instruments

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

d) Impairment of financial assets

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

e) Determination of lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise termination option. Extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated):

The factors such as significant penalties (including economic cost), leasehold improvements, disruption in business etc. are considered in evaluation.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant change in circumstance occurs, which affects this assessment, and is within the control of the Management.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

3 PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ lakhs, unless otherwise stated)

	Land - Freehold	Buildings #	Leasehold Improvements	Plant and Machinery	Electrical Installations and Equipments	Laboratory Equipments	Computers	Furniture and Fixtures	Office Equipment	Vehicles	Total	Capital-Work-in-Progress
Gross carrying amount:												
As at March 31, 2020	19,01.35	134,78.72	10,01.21	326,07.99	3,94.60	1,69.69	16,24.47	13,92.00	7,60.22	3,28.49	536,58.74	28,80.01
Additions	-	4,45.86	9.13	25,59.95	40.70	0.68	1,25.61	48.81	47.46	-	32,78.20	27,76.82
Deductions	-	(15.34)	-	(2,36.49)	(0.35)	-	(5.44)	(21.35)	(8.40)	(7.71)	(2,95.08)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	(32,78.20)
As at March 31, 2021	19,01.35	139,09.24	10,10.34	349,31.45	4,34.95	1,70.37	17,44.64	14,19.46	7,99.28	3,20.78	566,41.86	23,78.63
Reclassification	-	-	-	-	-	-	-	-	-	-	-	(10.61)
Additions	-	16,39.32	-	35,82.91	68.42	25.79	4,04.50	1,75.34	1,61.44	-	60,57.72	102,94.01
Deductions	-	(2.75)	(4,40.04)	(2,07.98)	(3.96)	-	(10.74)	(47.52)	(18.04)	(37.43)	(7,68.46)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	(60,57.72)
As at March 31, 2022	19,01.35	155,45.81	5,70.30	383,06.38	4,99.41	1,96.16	21,38.40	15,47.28	9,42.68	2,83.35	619,31.12	66,04.31
Accumulated Depreciation:												
As at March 31, 2020	-	21,80.88	5,61.65	144,36.09	92.26	61.30	11,96.92	6,91.65	4,82.19	85.03	197,87.97	-
Depreciation for the year	-	4,70.60	1,17.19	30,97.55	40.65	17.08	2,55.74	1,28.16	1,01.14	38.30	42,66.41	-
Depreciation on deductions	-	(14.99)	-	(2,11.28)	(0.35)	-	(5.39)	(19.69)	(8.05)	(7.71)	(2,67.46)	-
As at March 31, 2021	-	26,36.49	6,78.84	173,23.36	1,32.56	78.38	14,47.27	8,00.12	5,75.28	1,15.62	237,86.92	-
Depreciation for the year	-	4,98.61	97.77	30,41.21	47.29	17.99	2,56.29	1,31.27	97.99	35.97	42,24.39	-
Depreciation on Deductions	-	(0.72)	(2,65.53)	(1,65.23)	(0.94)	-	(10.10)	(32.92)	(16.19)	(23.11)	(5,14.74)	-
As at March 31, 2022	-	31,34.38	5,11.08	201,98.34	1,78.91	96.37	16,93.46	8,98.47	6,57.08	1,28.48	274,96.57	-
Net Carrying amount:												
As at March 31, 2021	19,01.35	112,72.76	3,31.50	176,09.09	3,02.40	91.99	2,97.36	6,19.33	2,24.00	2,05.16	328,54.94	23,78.63
As at March 31, 2022	19,01.35	124,11.43	59.22	181,08.04	3,20.50	99.79	4,44.94	6,48.81	2,85.60	1,54.87	344,34.55	66,04.31

Includes an amount of ₹ 7,50.00 (March 31, 2021 - ₹ 7,50.00) representing the value of shares in a co-operative housing society.

(a) Ageing of Capital work-in-progress(CWIP)

CWIP	Amount in capital work in progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress as at March 31, 2022	64,33.78	1,13.60	56.93	-	66,04.31
Projects in Progress as at March 31, 2021	21,89.37	1,66.41	12.99	9.86	23,78.63

(b) Completion schedule for capital work in progress whose completion is over due or exceeded its cost compared to its original plan as on March 31, 2022

	Projects in progress to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Kiln	20.72	-	-	-	20.72
Press	56.94	-	-	-	56.94
Total	77.66	-	-	-	77.66

There are no projects whose completion is overdue or exceeded its cost compared to its original plan as on March 31, 2021.

(c) Capital work-in-progress mainly comprises of plant and machinery.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

3A RIGHT-OF-USE ASSET

	Land	Building	Total
Gross carrying amount:			
As at March 31, 2020	78.41	30,07.35	30,85.76
Deductions	-	(4,18.96)	(4,18.96)
As at March 31, 2021	78.41	25,88.39	26,66.80
Addition	-	7,89.63	7,89.63
Deductions	-	(9,76.64)	(9,76.64)
As at March 31, 2022	78.41	24,01.38	24,79.79
Accumulated Depreciation:			
As at March 31, 2020	4.82	9,99.86	10,04.68
Depreciation for the year	0.95	8,67.71	8,68.66
Depreciation on deductions	-	(2,55.23)	(2,55.23)
As at March 31, 2021	5.77	16,12.34	16,18.11
Depreciation for the year	0.96	6,69.20	6,70.16
Depreciation on Deductions	-	(9,36.98)	(9,36.98)
As at March 31, 2022	6.73	13,44.56	13,51.29
Net Carrying amount:			
As at March 31, 2021	72.64	9,76.05	10,48.69
As at March 31, 2022	71.68	10,56.82	11,28.50

4 INTANGIBLE ASSETS

	Computer Software	Trade Marks	Non Compete Fees and Marketing Network	Total	Goodwill	Intangible Assets Under Development
Gross carrying amount:						
As at March 31, 2020	3,89.34	23.97	1,17.90	5,31.21	48.80	-
Additions	8,67.94	-	-	8,67.94	-	8,67.94
Transfer	-	-	-	-	-	(8,67.94)
As at March 31, 2021	12,57.28	23.97	1,17.90	13,99.15	48.80	-
Reclassification	-	-	-	-	-	10.61
Additions	3,22.46	-	-	3,22.46	-	3,98.44
Deductions	(7.89)	-	-	(7.89)	-	-
Transfer	-	-	-	-	-	(3,22.46)
As at March 31, 2022	15,71.85	23.97	1,17.90	17,13.72	48.80	86.59
Accumulated Amortisation:						
As at March 31, 2020	3,69.74	-	1,17.90	4,87.64	-	-
Amortisation for the year	54.40	-	-	54.40	-	-
As at March 31, 2021	4,24.14	-	1,17.90	5,42.04	-	-
Amortisation for the year	2,29.48	-	-	2,29.48	-	-
Amortisation on deductions	(7.89)	-	-	(7.89)	-	-
As at March 31, 2022	6,45.73	-	1,17.90	7,63.63	-	-
Net Carrying amount:						
As at March 31, 2021	8,33.14	23.97	-	8,57.11	48.80	-
As at March 31, 2022	9,26.12	23.97	-	9,50.09	48.80	86.59

(a) Ageing of intangible assets under development

	Amount in Intangible assets under development for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress as at March 31, 2022	75.98	10.61	-	-	86.59
Projects in Progress as at March 31, 2021	-	-	-	-	-

As at March 31, 2022 and March 31, 2021, there are no projects whose completion is overdue or exceeded its cost compared to its original plan.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
5 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS		
Quoted Investments		
Investment in Government Securities (at Amortised cost)		
8.20% 10 Years NHA1 Tax Free Bonds	-	74.17
Unquoted Investments		
Investment in Equity Instruments (at Fair Value through Other Comprehensive Income)		
John Oakey & Mohan Ltd.	0.16	0.16
1,900 (March 31, 2021 : 1,900) equity shares of ₹ 10/- each fully paid up		
Andhra Pradesh Gas Power Corporation Ltd.	13,15.00	28,62.00
28,97,080 (March 31, 2021 : 28,97,080) equity shares of ₹ 10/- each fully paid up		
Shivalik Solid Waste Management Ltd.	2.00	2.00
20,000 (March 31, 2021 : 20,000) equity shares of ₹ 10/- each fully paid up		
In Fellow Subsidiaries :		
Saint-Gobain India Pvt. Ltd.	176,92.00	144,98.00
28,50,074 (March 31, 2021 : 28,50,074) equity shares of ₹ 10/- each fully paid up		
Saint-Gobain India Foundation	0.01	0.01
100 (March 31, 2021 : 100) equity shares of ₹ 10/- each fully paid up		
Investment in Equity Instruments (at cost)		
In Subsidiaries :		
Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	20,34.36	20,34.36
20,29,597 (March 31, 2021 : 20,29,597) equity shares of Bhutanese Ngultrum 100/- each fully paid up		
In Joint ventures :		
SG Shinagawa Refractories India Private Limited	11,27.00	11,27.00
1,12,70,000 (March 31, 2021 : 1,12,70,000) equity shares of ₹ 10/- each fully paid up		
In Associate :		
Cleanwin Energy Three LLP	15.00	-
(Represents capital contribution to the extent of 27.27% of total capital)		
Investment in Mutual Funds (at Fair Value through Profit and Loss)	-	6,39.32
	221,85.53	212,37.02
Aggregate amount of quoted investments	-	74.17
Aggregate market value of quoted investments	-	79.62
Aggregate amount of unquoted investments	221,85.53	211,62.85
6 NON-CURRENT FINANCIAL ASSETS - LOANS		
Loans Receivables considered good - Unsecured		
Loan to Employees*	3,90.49	79.11
	3,90.49	79.11

* include loan to a Key Managerial Person as defined under Companies Act, 2013 of ₹ 1,29.69 lakhs (March 31, 2021 - Nil)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
7 NON-CURRENT - OTHER FINANCIAL ASSETS		
<u>Unsecured - considered good</u>		
Bank Deposits	25,50.25	13.38
(Deposit with maturity of more than 12 months)		
[₹ 25,05.00 lakhs lien with Axis bank for term loan (March 31, 2021 -Nil)]		
Security Deposit	10,04.74	8,84.08
<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)
	35,54.99	8,97.46
8 OTHER NON-CURRENT ASSETS		
Capital Advances	34,72.43	15,76.67
Advances other than capital advances:		
- Deposits with Government Authorities	1,00.15	99.74
- Prepaid Expenses	93.78	15.52
Balance with Government Authorities	1,35.13	2,38.01
	38,01.49	19,29.94
9 CURRENT ASSETS - INVENTORIES		
(The mode of valuation of inventories has been stated in Note : 1.3 (D))		
Raw Materials	206,49.32	148,37.32
Raw Materials in Transit	23,66.75	30,03.58
Work-in-Progress	72,52.94	55,83.65
Finished Goods *	65,41.91	33,93.80
Stock in Trade	59,59.80	35,71.94
Stores and Spares	9,66.48	10,72.04
	437,37.20	314,62.33
* Includes in transit - ₹ 22,75.75 lakhs (March 31, 2021 - ₹ 10,35.87 lakhs)		
Write-downs of inventories to net realisable value amounting to ₹ 14,93.39 lakhs (March 31, 2021 - ₹ 2,30.15 lakhs) are charged off in statement of profit and loss for the year ended March 31, 2022.		
10 CURRENT FINANCIAL ASSETS - INVESTMENTS		
<u>Unquoted Investments</u>		
Investment in Mutual Funds (at Fair Value through Profit and Loss)	330,25.39	521,39.99
	330,25.39	521,39.99
11 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
<u>Considered good - Unsecured</u>		
Trade Receivables	173,32.38	154,05.45
Receivables from Related Parties (Refer Note No. 48)*	69,72.25	52,44.36
	243,04.63	206,49.81
Less: Loss Allowance	(6,76.45)	(6,74.03)
	236,28.18	199,75.78
*Includes ₹ 7,54.86 lakhs (March 31, 2021 - ₹ 2,64.48 lakhs) due from a Private Company in which the Director of the Company is a Director.		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Ageing of trade receivables:

As at March 31, 2022	Outstanding for the following period from the due date of payment:							Total
Particulars	Unbilled	Not Due	Less than 6 months	6 months-1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed Trade receivables – considered good (Unsecured)	-	138,65.51	96,99.56	1,73.90	1,00.58	2,13.81	2,51.27	243,04.63

As at March 31, 2021	Outstanding for the following period from the due date of payment:							Total
Particulars	Unbilled	Not Due	Less than 6 months	6 months-1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed Trade receivables – considered good (Unsecured)	-	104,08.19	92,25.53	2,08.50	5,33.97	93.04	1,80.58	206,49.81

12 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

Balances with Banks

- in Current Accounts

- in Deposit Accounts with original maturity of less than 3 months

Cash on hand

March 31, 2022

March 31, 2021

7,66.35

15,89.14

25,00.00

-

1.04

0.98

32,67.39

15,90.12

13 CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Balances with Banks

- Deposits with maturity of more than 3 months but less than 12 months

- Margin Money Deposits (Security for Bank Guarantees and Lien with Excise Authorities)

- Unpaid Dividend

233,63.25

104,78.00

3.87

3.87

1,53.60

1,36.51

235,20.72

106,18.38

14 CURRENT FINANCIAL ASSETS - LOANS

Loans Receivables considered good - Unsecured

Loan to Employees*

66.83

30.86

66.83

30.86

* includes loan to Key Managerial Person as defined under Companies Act, 2013 of ₹ 18.75 lakhs (March 31, 2021 - Nil)

14.1 The Company has not provided any loans and advances in the nature of loans to its Subsidiary/Joint venture/Associate during the year (March 31, 2021 - ₹ Nil) and hence disclosure requirement under regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, is not applicable.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
15 CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS		
Derivatives- Foreign-exchange forward contracts	4,89.33	4,22.97
Employee Advances	1,87.65	1,66.53
Security deposit	-	19.41
Others*	12,37.00	11,54.99
	19,13.98	17,63.90
*Includes receivable from Related Parties - ₹ 9,33.53 lakhs (March 31, 2021 - ₹ 10,24.67 lakhs)		
16 OTHER CURRENT ASSETS		
Prepaid expenses	4,26.86	1,05.72
Balances with Government Authorities	17,84.58	19,16.45
Export benefit receivable	3,80.14	5,78.22
Advances to Suppliers*	37,57.40	27,48.16
	63,48.98	53,48.55
*Includes advance to Related Parties - ₹ 1,25.33 lakhs (March 31, 2021 - ₹ 1,50.35 lakhs)		
17 EQUITY SHARE CAPITAL		
AUTHORISED		
11,20,00,000 (March 31, 2021 : 11,20,00,000) Equity Shares of ₹ 5/- each	56,00.00	56,00.00
ISSUED SUBSCRIBED AND PAID UP		
11,07,20,000 (March 31, 2021: 11,07,20,000) Equity Shares of ₹ 5/- each fully paid-up	55,36.00	55,36.00
	55,36.00	55,36.00

(a) Shareholding of promoters

Promoter Name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of shares	% of Holding	Number of shares	% of Holding	
Saint-Gobain Abrasives Inc	2,96,35,520	26.77%	2,96,35,520	26.77%	-
Spafi Societe De Participations inancieres et Industrielles	2,71,92,480	24.56%	2,71,92,480	24.56%	-
Vera Anand Mahajan	18,89,115	1.71%	18,89,115	1.71%	-
Khursheed M Narang	14,82,515	1.34%	17,03,515	1.54%	(12.97%)
Ashaita Mahajan	10,57,028	0.95%	10,57,028	0.95%	-
Aakil Anand Mahajan	9,97,628	0.90%	9,97,628	0.90%	-
Danesh M Narang	6,17,000	0.56%	6,69,000	0.60%	(7.77%)
Anand Yashavant Mahajan	5,09,904	0.46%	5,09,904	0.46%	-
Mikhil M Narang	4,82,582	0.44%	4,82,582	0.44%	-
Saint-Gobain India Private Limited	3,00,000	0.27%	3,00,000	0.27%	-
Malvinder C Narang	1,38,000	0.12%	1,38,000	0.12%	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

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

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% of Holding	Number of shares	% of Holding
Saint-Gobain Abrasives Inc*	2,96,35,520	26.77%	2,96,35,520	26.77%
Societe de Participations Financieres et Industrielles*	2,71,92,480	24.56%	2,71,92,480	24.56%
Saint-Gobain India Private Limited	3,00,000	0.27%	3,00,000	0.27%
	5,71,28,000	51.60%	5,71,28,000	51.60%

*Also, represents Shareholders' holding more than 5 % of total equity share capital.

- (c) Movement in Equity Share Capital:

Authorised Share Capital

	Number of shares	Equity share capital (par value)
As at March 31, 2020	11,20,00,000	56,00.00
Increased during the year	-	-
As at March 31, 2021	11,20,00,000	56,00.00
Increased during the year	-	-
As at March 31, 2022	11,20,00,000	56,00.00

Issued and paid-up Share Capital

	Number of shares	Equity share capital (par value)
As at March 31, 2020	11,07,20,000	55,36.00
Shares issued during the year	-	-
As at March 31, 2021	11,07,20,000	55,36.00
Shares issued during the year	-	-
As at March 31, 2022	11,07,20,000	55,36.00

- (d) Rights and restrictions attached to the shares

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

- (e) (i) Pursuant to the approval of the Shareholders, through postal ballot and e-voting on July 7, 2016, the Company on July 22, 2016, issued and allotted 5,53,60,000 Ordinary Equity Shares of ₹ 5/- each, as fully paid-up Bonus Shares in the proportion of 1 (One) Bonus Share of ₹ 5/- each for each Ordinary Equity Share of ₹ 5/- each held on the Record Date i.e. July 15, 2016. The Company has not allotted bonus shares other than noted above during five years immediately preceding the date of balance sheet.
- (ii) The Company has not allotted any equity shares pursuant to contract without payment being received in cash nor bought back shares during five years immediately preceding the date of balance sheet.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
18 OTHER EQUITY		
Reserves and Surplus (Refer Note 18 (a))	1,366,71.45	1,176,39.62
Other items of Equity (Refer Note 18 (b))	140,96.72	125,29.92
	1,507,68.17	1,301,69.54
18(a) RESERVES AND SURPLUS		
Securities Premium	27,90.82	27,90.82
General Reserve	402,01.34	402,01.34
Retained Earnings	936,79.29	746,47.46
	1,366,71.45	1,176,39.62
i) SECURITIES PREMIUM		
Opening Balance	27,90.82	27,90.82
	27,90.82	27,90.82
ii) GENERAL RESERVE		
Opening Balance	402,01.34	402,01.34
	402,01.34	402,01.34
iii) RETAINED EARNINGS		
Opening Balance	746,47.46	589,36.71
Net profit for the period	297,99.95	242,07.15
<u>Items of other comprehensive income recognised directly in retained earnings</u>		
Remeasurement of post employment benefit obligation (net of tax)	(2,49.72)	(1,92.40)
<u>Appropriations</u>		
Dividend	(105,18.40)	(83,04.00)
[Dividend per share ₹ 9.50 /- for year 2020-21 (2019-20- ₹ 7.50/-)]		
	936,79.29	746,47.46

18(b) Other Items of Equity

	Equity Instruments through Other Comprehensive Income	Share Based Payment Plan Account	Revaluation Surplus	Total
As at March 31, 2020	91,62.23	7,04.29	3,35.34	102,01.86
Change in fair value of Equity Instruments through Other Comprehensive Income, net of tax	21,51.64	-	-	21,51.64
Share Based Payment (Refer Note 46)	-	1,76.42	-	1,76.42
As at March 31, 2021	113,13.87	8,80.71	3,35.34	125,29.92
Change in fair value of Equity Instruments through Other Comprehensive Income, net of tax	14,10.10	-	-	14,10.10
Share Based Payment (Refer Note 46)	-	1,56.70	-	1,56.70
As at March 31, 2022	127,23.97	10,37.41	3,35.34	140,96.72

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Nature and purpose of reserves

(i) Securities Premium

Securities premium is used to record the premium on issue of shares. This is to be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) General Reserve

The general reserve is a free reserve, retained from Company's profits. The reserves can be utilised as per the provisions of the Companies Act, 2013.

(iii) Equity Instruments through Other Comprehensive Income

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

(iv) Share Based Payment Plan Account

The Share Based Payment Plan Account is used to recognize the grant date fair value of options issued under Group (Compagnie de Saint-Gobain) share based payment arrangement to certain employees of the company under employee stock option plans.

(v) Revaluation Surplus

Revaluation Surplus was created under the erstwhile Indian GAAP to recognize the gain due to increase in value of certain Tangible assets as on June 30, 1988.

	March 31, 2022	March 31, 2021
19 NON-CURRENT FINANCIAL LIABILITIES		
Lease liabilities (Refer Note 44 B)	6,64.60	4,66.93
	6,64.60	4,66.93
20 NON-CURRENT LIABILITIES - PROVISIONS		
Compensated Absence (Refer Note 26.1)	26,77.50	24,19.47
Gratuity (Refer Note 34.1)	-	1,71.24
	26,77.50	25,90.71
21 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
The balance comprises temporary differences attributable to:		
Depreciation	17,86.10	19,40.06
Financial assets at FVOCI	15,50.29	13,13.39
Total Deferred tax Liabilities	33,36.39	32,53.45
Deferred tax asset		
The balance comprises temporary differences attributable to:		
Provision for employee benefits	(12,71.00)	(10,36.29)
Others	(5,14.92)	(2,85.65)
Total Deferred tax asset	(17,85.92)	(13,21.94)
	15,50.47	19,31.51

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Movement in deferred tax liabilities

	Depreciation	Provision for employee benefits	Financial Assets at FVOCI	Others	Total
As at March 31, 2020	20,88.58	(11,41.18)	7,98.03	(2,11.28)	15,34.15
Charged/(credited):					
- to profit and loss	(1,48.52)	1,04.89		(74.37)	(1,18.00)
- to other comprehensive income			5,15.36		5,15.36
As at March 31, 2021	19,40.06	(10,36.29)	13,13.39	(2,85.65)	19,31.51
Charged/(credited):					
- to profit and loss	(1,53.96)	(2,34.71)		(2,29.27)	(6,17.94)
- to other comprehensive income			2,36.90		2,36.90
As at March 31, 2022	17,86.10	(12,71.00)	15,50.29	(5,14.92)	15,50.47

22 NON-CURRENT LIABILITIES - OTHER NON-CURRENT LIABILITIES

Deferred Income Liability

March 31, 2022	March 31, 2021
56.05	69.99
56.05	69.99
2,15.34	-
2,15.34	-

23 (i) CURRENT FINANCIAL LIABILITIES -BORROWINGS

Current maturities of long term borrowing

Term Loan from Bank aggregating ₹ 25,00.00 lakhs sanctioned for purchase of capital asset, is secured by way of lien on Fixed Deposit with bank (Refer Note 7).The loan is repayable in 60 equal monthly installments from the date of first disbursement and carries interest rate of 6.30% p.a. As at March 31, 2022, ₹ 215.34 lakhs was disbursed and utilised for stated purpose.

Debt reconciliation:

Proceeds from borrowings
Repayment of borrowings
Interest
Interest paid

March 31, 2022	March 31, 2021
2,15.34	-
-	-
0.08	-
(0.08)	-
2,15.34	-

23(ia) CURRENT FINANCIAL LIABILITIES -LEASE LIABILITIES

Lease Liabilities (Refer Note 44 B)

March 31, 2022	March 31, 2021
4,71.20	5,69.91
4,71.20	5,69.91
5,74.73	5,46.45
207,68.96	228,55.80
107,16.82	78,24.70
320,60.51	312,26.95

24 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

Total outstanding due to Micro Enterprises and Small Enterprises (Refer Note 24.1)
Total outstanding due to creditors other than Micro Enterprises and Small Enterprises
Total outstanding due to Related Parties (Refer Note 48)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Ageing of trade payables:

As at March 31, 2022 Particular	Outstanding for the following period from the due date of payment:						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro and Small Enterprises	-	4,31.56	1,16.26	22.89	3.55	0.47	5,74.73
(ii) Others	139,85.19	120,49.23	50,81.54	3,02.62	24.61	42.59	314,85.78
(iii) Disputed dues – Micro and Small Enterprises	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
	139,85.19	124,80.79	51,97.80	3,25.51	28.16	43.06	320,60.51

As at March 31, 2021 Particular	Outstanding for the following period from the due date of payment:						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro and Small Enterprises	-	4,30.77	1,11.99	3.69	-	-	5,46.45
(ii) Others	174,08.99	100,76.07	30,74.53	78.72	16.09	26.10	306,80.50
(iii) Disputed dues – Micro and Small Enterprises	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
	174,08.99	105,06.84	31,86.52	82.41	16.09	26.10	312,26.95

24.1 Due to Micro and Small Enterprises:

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

	March 31, 2022	March 31, 2021
a) the principal amount remaining unpaid to the supplier at the end of each accounting year;	5,74.73	5,46.45
b) the interest due thereon and remaining unpaid to the supplier at the end of each accounting year;	9.77	8.00
c) the principal amount paid by the buyer during the year to the supplier beyond the appointed day;	6,41.00	4,42.25
d) the amount of interest paid by the buyer during the year in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006);	13.11	13.10
e) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	1.34	0.25
f) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	11.11	8.25
g) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
h) Interest paid/payable in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 debited to statement of profit and loss.	15.97	13.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

25 CURRENT - OTHER FINANCIAL LIABILITIES

	March 31, 2022	March 31, 2021
Trade / Security Deposits	11,04.22	10,27.21
Unclaimed Dividend *	1,53.60	1,36.51
Commission due to directors	1,00.00	87.50
Payable for Discounts to Dealers	21,95.25	22,78.96
Capital Creditors	4,03.75	3,51.87
Employee related payables	23,19.69	17,53.20
	62,76.51	56,35.25

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

26 CURRENT LIABILITIES - PROVISIONS

Compensated Absence (Refer Note 26.1)	5,40.34	5,39.02
Gratuity (Refer Note 34.1)	2,80.53	6,31.38
Others (Refer Note 26.2)	18,98.35	10,92.16
	27,19.22	22,62.56

26.1 DETAILS OF PROVISION FOR COMPENSATED ABSENCE

Opening Balance - Long Term	24,19.47	22,97.33
Opening Balance - Short Term	5,39.02	10,47.76
Provision made during the year	6,30.24	3,17.00
Utilisation during the year	(3,70.89)	(7,03.60)
Closing Balance - Long Term	26,77.50	24,19.47
Closing Balance - Short Term	5,40.34	5,39.02

26.2 DETAILS OF OTHER PROVISIONS

Opening Balance	10,92.16	10,83.18
Provision made during the year	8,61.43	2,94.02
Utilisation during the year	(55.24)	(2,85.04)
Closing Balance	18,98.35	10,92.16

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

27 CURRENT TAX LIABILITIES

	March 31, 2022	March 31, 2021
Income Tax (Net of advance tax)	14,09.02	6,79.06
	14,09.02	6,79.06

28 OTHER CURRENT LIABILITIES

Statutory Liabilities	22,71.22	18,86.22
Deferred Income Liability	13.57	27.23
Contract Liability-Advance from customer*	20,04.63	12,09.75
	42,89.42	31,23.20

*Includes advance from Related Parties - ₹ 6,04.47 lakhs (March 31, 2021 - ₹ 3,24.46 lakhs)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
29 REVENUE FROM OPERATIONS		
Sale of products (Refer Note 29.1)	1,854,21.87	1,493,32.03
Service Income (Refer Note 1.3 J(ii))	140,77.14	129,23.29
Other operating revenue	10,63.16	10,34.98
	2,005,62.17	1,632,90.30
29.1 Sale of products		
Abrasives	1,129,39.58	922,87.54
Ceramics & Plastics	688,03.47	528,40.40
Others	36,78.82	42,04.09
	1,854,21.87	1,493,32.03

The sales value mentioned above includes sale of trading goods of ₹ 303,15.21 lakhs (March 31, 2021 - ₹ 191,59.05 lakhs)

	March 31, 2022	March 31, 2021
29.2 Reconciliation of revenue recognised with contract price		
Revenue from contracts with customers at Contract Price	2,034,85.76	1,643,38.00
Less : Discounts on Sale of Products	39,86.75	20,82.68
	1,994,99.01	1,622,55.32
Other operating revenue	10,63.16	10,34.98
Revenue from operations	2,005,62.17	1,632,90.30
30 OTHER INCOME		
Interest income	7,46.33	98.90
Dividend Income	2,85.28	17,10.20
Net gain on financial instruments measured at fair value through profit and loss:		
- Gain on redemption of Mutual Fund	16,10.09	22,93.40
- Changes in fair value	(2,46.32)	(8,87.34)
Interest income from financial assets at amortised cost	6.74	1.09
Unwinding of discount on security deposits	40.73	33.61
Net gain on foreign currency transactions	12,66.36	5,67.86
Profit on sale of Fixed assets (net)	3,15.76	-
Other Non-operating income	12,81.23	12,79.16
	53,06.20	50,96.88

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
31 COST OF MATERIALS CONSUMED		
Opening Stock of		
Raw Materials	148,37.32	86,31.87
Raw Materials in Transit	30,03.58	37,20.15
	178,40.90	123,52.02
Add : Purchases	762,91.72	590,51.36
Less: Closing Stock of		
Raw Materials	206,49.32	148,37.32
Raw Materials in Transit	23,66.75	30,03.58
	230,16.07	178,40.90
	711,16.55	535,62.48
32 PURCHASE OF STOCK IN TRADE		
Abrasives	175,92.76	111,27.65
Ceramics & Plastics	71,76.57	42,46.39
Others	10,85.53	11,55.57
	258,54.86	165,29.61
33 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN -TRADE AND FINISHED GOODS		
Opening stock of		
Finished Goods	33,93.80	53,26.68
Stock in Trade	35,71.94	20,46.36
Work-In-Progress	55,83.65	83,31.40
	125,49.39	157,04.44
Less: Closing stock of		
Finished Goods	65,41.91	33,93.80
Stock in Trade	59,59.80	35,71.94
Work-In-Progress	72,52.94	55,83.65
	197,54.65	125,49.39
	(72,05.26)	31,55.05
34 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	208,78.68	172,87.32
Share Based Payments	1,56.70	1,76.42
Contribution to provident and other funds and Gratuity (Refer Note 34.1)	15,63.07	14,87.74
Staff welfare	22,13.87	15,90.56
	248,12.32	205,42.04

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

34.1 Disclosure as required under Ind AS 19 - Employee Benefits

I. Defined Contribution Plans:

Contribution to defined contribution plans, recognised as expense for the year are as under:

Employer's Contribution to Provident Fund

Employer's Contribution to Superannuation Fund

March 31, 2022	March 31, 2021
8,99.71	8,17.07
70.67	74.75

II. Defined Benefit Plans:

Contribution to Gratuity Fund

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

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2022:

i) Change in present value of defined benefit obligation

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

Interest Cost

Current service cost

Liability Transferred in on transfer of employees

Benefits paid

Remeasurements

Actuarial changes arising from changes in demographic assumptions

Actuarial changes arising from changes in financial assumptions

Actuarial changes arising from experience assumptions

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

March 31, 2022	March 31, 2021
71,74.56	71,30.23
4,92.18	4,87.71
5,91.77	5,29.00
-	80.23
(4,73.69)	(12,54.04)
2.90	-
(1,49.05)	(9.20)
5,97.70	2,10.63
82,36.37	71,74.56

ii) Change in fair value of plan assets

Fair Value of plan assets at the beginning of the year

Interest Income

Contributions paid by the employer

Assets Transferred on transfer of employees

Benefits paid from the fund

Remeasurements

Return on plan assets, excluding interest income

Fair Value of plan assets at the end of the year

63,71.94	68,88.92
4,37.12	4,71.20
15,02.63	2,41.31
-	80.23
(4,73.69)	(12,54.04)
1,17.84	(55.68)
79,55.84	63,71.94

iii) Net asset / (liability) recognised in the Balance Sheet

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

Fair Value of plan assets at the end of the year

Amount recognised in the balance sheet

Net Asset / (Liability) recognised - current

Net Asset / (Liability) recognised - non current

(82,36.37)	(71,74.56)
79,55.84	63,71.94
(2,80.53)	(8,02.62)
(2,80.53)	(6,31.38)
-	(1,71.24)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
iv) Expense recognised in the Statement of Profit and Loss for the year		
Current service cost	5,91.77	5,29.00
Interest cost on defined benefit obligation	55.06	16.51
Total expenses included in statement of profit and loss	6,46.83	5,45.51
v) Recognised in Other Comprehensive Income for the year		
Actuarial changes arising from changes in financial assumptions	(1,49.05)	(9.20)
Actuarial changes arising from experience assumptions	5,97.70	2,10.63
Actuarial changes arising from changes in demographic assumptions	2.90	-
Actuarial Losses/(Gains) on Obligation for the period	4,51.55	2,01.43
Return on plan assets, excluding interest income	(1,17.84)	55.68
Recognised in other comprehensive income	3,33.71	2,57.11
vi) Actuarial Assumptions		
Expected return on plan assets	7.15%	6.86%
Rate of Discounting	7.15%	6.86%
Rate of Salary Increase	9.00%	9.00%
Rate of Employee Turnover		
	For service period 4 years and below 8.00% p.a.	For service period 4 years and below 8.00% p.a.
	For service period 5 years and above 5.00% p.a.	For service period 5 years and above 5.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) (Ultimate)
vii) Sensitivity Analysis		
Projected Benefit Obligation on Current Assumptions	82,36.37	71,74.56
Delta Effect of +0.5% Change in Rate of Discounting	(2,44.32)	(2,22.45)
Delta Effect of -0.5% Change in Rate of Discounting	2,60.56	2,37.47
Delta Effect of +0.5% Change in Rate of Salary Increase	2,54.79	2,31.56
Delta Effect of -0.5% Change in Rate of Salary Increase	(2,41.37)	(2,19.20)
Delta Effect of +0.5% Change in Rate of Employee Turnover	(32.72)	(33.95)
Delta Effect of -0.5% Change in Rate of Employee Turnover	34.22	35.58
Methodology Adopted for Asset Liability Management (ALM)	Projected Unit Credit Method	Projected Unit Credit Method

Usefulness and Methodology adopted for Sensitivity analysis:

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

viii) Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 8 years (March 31, 2021 - 8 years). The expected maturity analysis of gratuity on undiscounted basis is as follows:

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

	March 31, 2022	March 31, 2021
1st Following Year	9,86.41	9,52.39
2nd Following Year	11,87.19	9,03.54
3rd Following Year	6,76.56	4,11.88
4th Following Year	7,74.16	5,86.74
5th Following Year	8,94.19	6,20.97
Sum of Years 6 To 10	33,21.90	33,43.36
Sum of Years 11 and above	67,48.96	57,98.33

ix) Major categories of plan assets are as follows:

Insurer managed funds	79,55.84	63,71.94
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x) Risk exposure:

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

xi) Expected contribution:

The Company expects to make a contribution of ₹ 7,26.40 lakhs (March 31, 2021: ₹ 6,31.38 lakhs) to the defined benefit plans during the next financial year.

35 FINANCE COSTS

	March 31, 2022	March 31, 2021
Interest Expense	2,18.99	1,38.18
Interest Cost on defined benefit obligation(net)	55.06	16.51
Interest Expense on Lease Liabilities	1,21.95	1,69.56
	3,96.00	3,24.25

36 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation of Property, Plant and Equipment	42,24.39	42,66.41
Depreciation of Right-of-use assets	6,70.16	8,68.66
Amortisation of Intangible Assets	2,29.48	54.40
	51,24.03	51,89.47

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
37 OTHER EXPENSES		
Consumption of Stores and Spares	37,42.38	32,56.24
Processing charges	31,75.18	30,19.56
Power & Fuel	77,87.95	58,53.28
Freight and packing expenses	112,02.86	95,64.40
Rent /Lease payment	10,54.07	8,00.99
Repairs & Maintenance		
Building	3,16.23	32.03
Machinery	5,57.68	2,68.87
Others	2,15.11	2,43.99
	10,89.02	5,44.89
Insurance	2,85.10	1,22.45
Rates and Taxes	4,56.23	1,91.25
Travelling & Conveyance	9,65.02	3,55.00
Commission	5,22.65	4,70.39
Royalties	34,95.17	29,22.56
Loss on assets discarded /sold (net)	-	18.97
External Service charges	62,93.90	54,06.32
Bad debts & Advances written off	89.03	33.10
Provision for Doubtful Debts & Advances	2.42	71.44
Miscellaneous expenses (Refer Note 37.1 & 37.2)	56,46.40	44,89.85
	458,07.38	371,20.69
37.1 Miscellaneous expenses include		
Amounts paid to Auditors:		
(i) Audit Fees	43.14	44.85
(ii) Tax Audit	2.50	2.00
(iii) Certification	0.75	0.75
(iv) Reimbursement of expenses	0.18	0.55
	46.57	48.15
37.2 Corporate social responsibility expenditure		
The Company CSR activities include promotion of education, rehabilitation, skill development training, Infra support for Historical Art & culture and support to people affected by Pandemic.		
(i) Gross amount required to be spent by the Company during the year	5,07.00	4,59.61
(ii) Actual amount spent/(paid) during the year towards other than ongoing projects	5,10.49	4,89.49
(iii) The amount of shortfall at the end of the year	-	-
(iv) Details of related party transfer - Contribution to Saint-Gobain India Foundation (Refer Note no 48)	4,47.53	4,76.39

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
38 TAX EXPENSE		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	107,80.48	78,74.44
Total current tax expense	107,80.48	78,74.44
Deferred tax		
Decrease / (increase) in deferred tax assets	(4,63.98)	30.52
(Decrease) / increase in deferred tax liabilities	(1,53.96)	(1,48.52)
Total deferred tax expense/(benefit)	(6,17.94)	(1,18.00)
Income tax expense	101,62.54	77,56.44
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	399,62.49	319,63.59
Tax at the Indian tax rate of 25.17 % (2020-2021 – 25.17%)	100,58.56	80,45.24
<u>Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:</u>		
Corporate social responsibility expenditure	1,28.49	1,20.62
Interest income from interest free bond exempt under section 10(34) of Income Tax Act	(1.25)	(1.53)
Other items	48.48	22.52
Deduction under section 80M of Income Tax Act on Dividend income	(71.74)	(4,30.41)
Income Tax Expense	101,62.54	77,56.44
39 EARNINGS PER SHARE		
(a) Basic earnings per share		
Basic earnings per share attributable to the equity shares holders of the Company (₹)	26.91	21.86
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity shares holders of the Company (₹)	26.91	21.86
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share (₹)	26.91	21.86
Profit attributable to equity holders of the company used in calculating basic earnings per share	297,99.95	242,07.15
Diluted earnings per share (₹)	26.91	21.86
Profit attributable to equity holders of the company used in calculating diluted earnings per share	297,99.95	242,07.15
(d) Weighted average number of equity shares used as the denominator in calculating Basic earnings per share	11,07,20,000	11,07,20,000
Adjustments for calculation of diluted earnings per share:	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	11,07,20,000	11,07,20,000

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

40 FAIR VALUE MEASUREMENTS

Financial instruments by category

	March 31, 2022			March 31, 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	-	190,09.17	-	-	173,62.17	-
- Mutual funds	330,25.39	-	527,79.31	-	-	-
- Government Securities	-	-	-	-	-	74.17
Trade receivables	-	-	236,28.18	-	-	199,75.78
Loan to employees	-	-	4,57.32	-	-	1,09.97
Cash and Bank Balances	-	-	293,38.36	-	-	122,21.88
Security deposits	-	-	10,04.74	-	-	9,03.49
Employee Advances	-	-	1,87.65	-	-	1,66.53
Foreign-Exchange Forward Contracts	4,89.33	-	-	4,22.97	-	-
Other receivables (Unsecured)	-	-	12,37.00	-	-	11,54.99
Total financial assets	335,14.72	190,09.17	558,53.25	532,02.28	173,62.17	346,06.81
Financial liabilities						
Trade / Security Deposits	-	-	11,04.22	-	-	10,27.21
Unclaimed Dividend	-	-	1,53.60	-	-	1,36.51
Trade payables	-	-	320,60.51	-	-	312,26.95
Capital creditors	-	-	4,03.75	-	-	3,51.87
Other financial liabilities	-	-	46,14.94	-	-	41,19.66
Borrowings	-	-	215.34	-	-	-
Total financial liabilities	-	-	385,52.36	-	-	368,62.20

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

GROW & IMPACT

NORTON GRINDWELL NORTON LTD.

(All amounts in ₹ lakhs, unless otherwise stated)

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

As at March 31, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL:					
Mutual Funds	10	330,25.39	-	-	330,25.39
Financial Investments at FVOCI:					
Unquoted Equity Investments	5	-	-	190,09.17	190,09.17
Derivatives not designated as hedges					
Foreign-exchange forward contracts	15	-	4,89.33	-	4,89.33
Total financial assets		330,25.39	4,89.33	190,09.17	525,23.89
Total financial liabilities		-	-	-	-

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

As at March 31, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Loans					
Loans to employees	6, 14	-	-	4,05.49	4,05.49
Other Financials Asset					
Security deposits	7	-	-	9,24.17	9,24.17
Bank Deposits	7	25,50.25	-	-	25,50.25
Total Financial Assets		25,50.25	-	13,29.66	38,79.91
Total Financial liabilities		-	-	-	-

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

As at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL:					
Mutual Funds	5, 10	527,79.31	-	-	527,79.31
Financial Investments at FVOCI:					
Unquoted Equity Investments	5	-	-	173,62.17	173,62.17
Derivatives not designated as hedges					
Foreign-Exchange Forward Contracts	15	-	4,22.97	-	4,22.97
Total financial assets		527,79.31	4,22.97	173,62.17	705,64.45
Total Financial liabilities		-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

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

As at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Government securities	5	79.62	-	-	79.62
Loans					
Loans to employees	6,14	-	-	1,09.15	1,09.15
Other Financials Asset					
Security deposits	7,15	-	-	8,23.18	8,23.18
Bank deposits	7	13.38	-	-	13.38
Total Financial Assets		93.00	-	9,32.33	10,25.33
Total Financial liabilities		-	-	-	-

Level 1: hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments or published NAV by fund house.
- the fair value of forward foreign exchange contracts is determined using forward exchange rate at the balance sheet date
- the fair value of employee stock option plans are determined using Black and Scholes valuation model.
- the fair value of certain financial instruments is determined using discounted cash flow analysis.
- the fair value of one equity instruments is based on net asset value method.

All of the resulting fair value estimates are included in level 1 or 2 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counter party or own credit risk.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table represents the changes in level 3 items for the period ended March 31, 2022 & March 31, 2021.

Unquoted Equity Shares

As on March 31, 2020	139,00.17
Acquisitions	7,95.00
Gain recognised in other comprehensive income	26,67.00
As on March 31, 2021	173,62.17
Acquisitions	-
Gain recognised in other comprehensive income	16,47.00
As on March 31, 2022	190,09.17

(iv) Valuation inputs and relationships to fair value

Particulars	Fair value as at		Significant Unobservable Inputs	Probable - weighted range		Sensitivity
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021	
Unquoted equity shares: Saint-Gobain India Pvt. Ltd. (SGIPL)	176,92.00	144,98.00	Long term growth rate for cash flows for subsequent years	4% - 6% (5%)	4% - 6% (5%)	1% Increase in the long-term growth rate would result in increase in stake value to ₹ 192,13.00 lakhs (March 31, 2021 ₹ 158,04.00 lakhs). 1% Decrease in the long-term growth rate would result in decrease in stake value to ₹ 164,58.00 lakhs (March 31, 2021 ₹ 134,57.00 lakhs).
			Weighted Average Cost of Capital (WACC)	13.6% - 15.6% (14.6%)	12.8% - 14.8% (13.8%)	1% Increase in the WACC would result in decrease in stake value to ₹ 160,27.00 lakhs (March 31, 2021 ₹ 131,21.00 lakhs). 1% Decrease in the WACC would result in Increase in stake value to ₹ 197,67.00 lakhs (March 31, 2021 ₹ 162,32.00 lakhs)."

Particulars	Fair value as at		Significant Unobservable Inputs	Probable - weighted range		Sensitivity
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021	
Unquoted equity shares: Andhra Pradesh Gas Power Corporation Ltd. (APGPCL)	13,15.00	-	Entity specific information - Net Asset Value	NA	NA	10% increase in the Net Asset would result in increase in stake value to ₹ 14,59.00 lakhs. 10% decrease in the Net Asset would result in decrease in stake value to ₹ 11.94.00 lakhs.
			Discount Rate	NA	12.7% - 14.7% (13.7%)	1% increase in the discount rate would result in decrease in stake value to ₹ 28,06.00 lakhs. 1% decrease in the discount rate would result in Increase in stake value to ₹ 29,19.00 lakhs.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(v) Valuation processes

The Company has outsourced the valuation process of unquoted equity instruments for financial reporting purposes.

The main level 3 inputs for unlisted equity securities used by the Company are derived and evaluated as follows:

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

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

For valuation of Andhra Pradesh Gas Power Corporation Ltd. net asset value method is used.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the yearly valuation discussion between the Chief Financial Officer (CFO), Audit Committee (AC) and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

(vi) Fair value of financial assets and liabilities measured at amortised cost

	March 31, 2022		March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments				
Government securities	-	-	74.17	79.62
Loans				
Loans to employees	4,57.32	4,05.49	1,09.97	1,09.15
Security deposits	10,04.74	9,24.17	9,03.49	8,23.18
Bank Deposit	25,50.25	25,50.25	13.38	13.38
Total financial assets	40,12.31	38,79.91	11,01.01	10,25.33

The carrying amounts of trade receivables, electricity deposit, employee advances, cash and cash equivalents and other short term receivables, trade payables, unclaimed dividend, capital creditors, borrowings and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans and security deposits were calculated based on cash flows discounted using the current lending rate. They are classified as level 3 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are not observable.

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

41 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

The Company's risk management is carried out by a central Treasury department under policies approved by the Board of Directors. The Treasury department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from outstanding receivables from free market dealers, cash and cash equivalents, employee

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

advances, security deposits and investments. The Company manages and analyses the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered.

Credit risk on cash and cash equivalents and investment is limited as company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units.

(i) Credit risk management

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognised from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

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

The Company has evaluated percentage of allowance for doubtful debts with our trade receivables over the years:

Particulars	March 31, 2022	March 31, 2021
Trade Receivables	243,04.63	206,49.81
Loss Allowance	6,76.45	6,74.03
Percentage	2.78%	3.26%

(ii) Reconciliation of Allowance – Trade receivables

Loss allowance on March 31, 2020	6,02.59
Changes in allowance	71.44
Loss allowance on March 31, 2021	6,74.03
Changes in allowance	2.42
Loss allowance on March 31, 2022	6,76.45

(B) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The company ensures sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, the Treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below), cash and cash equivalents and investments on the basis of expected cash flows.

(i) Financing arrangements

The company had access to the following undrawn unsecured borrowing facilities at the end of the reporting period:

Particulars	March 31, 2022	March 31, 2021
Floating rate		
- Expiring beyond one year (bank loans and overdrafts)	42,62.98	64,56.87

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Contractual maturities of financial liabilities

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
March 31, 2022				
Non-derivatives				
Borrowing	2,15.34	-	-	2,15.34
Lease liabilities	5,66.77	3,30.75	4,40.70	1,338.22
Trade payables	320,60.51	-	-	320,60.51
Other financial liabilities	62,76.51	-	-	62,76.51
Total non-derivative liabilities	391,19.13	3,30.75	4,40.70	398,90.58
March 31, 2021				
Non-derivatives				
Lease liabilities	6,54.73	3,22.31	1,84.59	11,61.63
Trade payables	312,26.95	-	-	312,26.95
Other financial liabilities	56,35.25	-	-	56,35.25
Total non-derivative liabilities	375,16.93	3,22.31	1,84.59	380,23.83

(C) Market risk

(i) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency sales and purchases, primarily with respect to EUR and USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows.

The risk is measured through a forecast of foreign currency sales and purchases for the Company's operations. The Company uses foreign exchange forward contracts to manage its exposure in foreign currency risk. Entire foreign currency receivables and payables have been hedged.

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

	Currency	March 31, 2022	March 31, 2021
Trade Receivables	USD	28,91.64	36,84.62
	EUR	41,72.36	23,83.18
	Others	2,70.66	59.96

	Currency	March 31, 2022	March 31, 2021
Trade Payable	USD	18,91.57	18,70.92
	EUR	16,72.89	18,09.13
	CNY	6,82.71	8,33.18
	Others	84.15	1,37.74

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

	Currency	March 31, 2022	March 31, 2021
Forward Contracts (Sell)	USD	109,66.94	59,38.26
	EUR	134,49.29	120,85.45
	Others	2,27.00	1,08.67

	Currency	March 31, 2022	March 31, 2021
Forward Contracts (Buy)	USD	45,36.84	55,34.85
	EUR	61,30.42	41,39.92
	CNY	24,23.18	49,27.26
	Others	6,07.95	5,28.42

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

42 CAPITAL MANAGEMENT

(a) Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Currently, there are limited borrowings and operations are being funded through internal accruals.

(b) Dividends

(i) Dividend paid during the year

Dividend paid during the year ₹ 9.50/- per fully paid up share (March 31, 2021 - ₹ 7.50/- per fully paid up share)

March 31, 2022	March 31, 2021
105,18.40	83,04.00

(ii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a dividend of ₹ 12/- each per fully paid equity share (March 31, 2021 – ₹ 9.50/-). This proposed dividend is subject to the approval of shareholders at the ensuing annual general meeting.

43 CONTINGENT LIABILITIES

	March 31, 2022	March 31, 2021
(a) Excise, Service Tax & Custom Duty demands pending with the appropriate authorities and disputed by the Company	5,27.74	6,48.98
(b) Sales Tax demands pending with the authorities and disputed by the Company	38.33	80.56
(c) Claims against the Company under the Labour Laws disputed by the Company	3,55.75	3,04.27
(d) Guarantees given by Banks, as counter guaranteed by the Company	5,38.63	5,06.20
(e) Non-Agricultural Land Cess	37.79	37.79
(f) Other Claims against the Company not acknowledged as debts	1,21.81	1,21.81
(g) Demand raised by Southern Power Distribution Company of Andhra Pradesh Ltd (SPDCL) disputed by the company and subjudice in High court/Supreme court *	46,50.53	13,37.04
(h) Income tax liability on account of disputed disallowances	88.32	88.32
(i) Good and Service Tax liability for Credit of duty paid on goods and services received prior to July 1, 2017	8.09	8.09

*The invoice of SPDCL towards power charges reflect a demand of ₹ 129,30.00 lakhs as at March 31, 2022 towards disputed matters which is not acknowledged as debt by the Company. The Company after considering the legal opinion, has determined the amount relating to ongoing disputes and disclosed the same in (g) above.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

44 A COMMITMENTS

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Property, Plant and Equipment

March 31, 2022	March 31, 2021
13,62.10	18,56.43

44 B Disclosures as required under Ind AS 116:

As a Lessee

(a) Amounts recognised in Balance Sheet	March 31, 2022	March 31, 2021
Right-of-use asset (Refer Note 3A)	11,28.50	10,48.69
Opening Lease Liabilities	10,36.84	20,40.97
Addition during year	7,52.57	
Interest cost accrued during the year	1,21.95	1,69.56
Payment of lease liabilities	(7,75.56)	(10,09.95)
Reversal/Adjustment of lease liabilities	-	(1,63.74)
Closing Lease Liabilities	11,35.80	10,36.84
Current Lease Liabilities	4,71.20	5,69.91
Non-current Lease Liabilities	6,64.60	4,66.93
Closing Lease Liabilities	11,35.80	10,36.84
(b) Amount recognized in the Statement of Profit and Loss	March 31, 2022	March 31, 2021
Depreciation for the year	6,70.16	8,68.66
Interest cost accrued during the year	1,21.95	1,69.56
Expenses related to short term leases	10,54.07	8,00.99
Total	18,46.18	18,39.21
(c) Total Cash outflows from leases during the year	18,29.63	18,10.94

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

46 SHARE BASED PAYMENTS

(a) Performance Share Plan

Certain employees of the Company in India are allotted Performance shares of the Ultimate Holding Company. These plans are subject to eligibility criteria based on the employee's period of service (service conditions) with the Group as well as performance criteria (performance conditions). The Ultimate Holding Company does not charge any cost for this benefit, the cost of this benefit has been arrived at using Black and Scholes method.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Summary of Share options granted under plan :

	March 31, 2022	March 31, 2021
	Number of options	Number of options
Opening balance	34,370	38,580
Granted during the year	5,575	5,950
Exercised during the year	(8,027)	(6,018)
Forfeited during the year	(2,313)	(4,142)
Closing balance	29,605	34,370

(b) Expense arising from share based payment transaction

	March 31, 2022	March 31, 2021
Performance Share Plan	1,56.70	1,76.42
Total	1,56.70	1,76.42

47 Financial performance ratios

Ratios	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance
Current Ratio	Total Current Assets	Total Current Liabilities	2.86	2.83	1.06%
Debt-Equity Ratio	Total Debt/Borrowings	Equity attributable to owners of the Company	0.01	0.01	-
Debt Service Coverage Ratio*	Earnings available for Debt service	Total Debt Service	58.29	39.96	57.71%
Return on Equity Ratio	Net Profits after taxes	Average Shareholders' Equity	20.41%	19.11%	6.80%
Inventory turnover ratio	Sale of products	Average Inventory	4.93	4.91	0.41%
Trade Receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	9.15	8.10	12.96%
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	4.68	4.17	12.23%
Net capital turnover ratio	Net Sales	Working Capital	2.27	2.04	11.27%
Net profit ratio	Net Profit after tax	Revenue from operation	14.86%	14.82%	0.27%
Return on Capital employed	Earning before interest and taxes	Capital Employed	25.35%	23.28%	8.89%
Return on investment**	Return on investment	Average investment held by the Company	5.64%	9.53%	(40.82%)

* The increase is on account of increase in profit and decrease in debt.

** The decrease is on account lower dividend income.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

48 RELATED PARTY TRANSACTIONS (As per Ind AS 24 Related Party Disclosures)

RELATIONSHIP:

(i) HOLDING COMPANY

Compagnie De Saint-Gobain, France

(ii) FELLOW SUBSIDIARIES

Certaineed Corporation, USA	Saint Gobain America, S.A. De C.V., Mexico
Saint-Gobain Services Construction Products Gmbh, Germany	Saint-Gobain Building Distribution Deutschland Gmbh, Germany
L.M.Van Moppes Diamond Tools India Pvt. Ltd., India	Saint-Gobain Ceramic Materials (Zhengzhou) Co. Ltd, China
Saint-Gobain Abrasives Brownsville	Saint-Gobain Colombia SAS, Colombia
Pt. Saint-Gobain Abrasives Diamas, Indonesia	Saint-Gobain Diamantwerkzeuge Gmbh, Germany
Saint-Gobain Performance Plastics Corporation, USA	Saint-Gobain Distribution Bâtiment France S.A.S., France
Saint-Gobain Ceramics & Plastics, Inc, USA	Saint-Gobain Distribution Denmark, Denmark
Saint-Gobain Abrasives (Suzhou) Co., Ltd, China	Saint-Gobain Do Brasil Produtos Industriais E Para Construção Ltda, Brazil
Saint-Gobain Abrasives BV, Netherlands	Saint-Gobain Glass Egypte S.A.E., Egypt
Saint-Gobain Abrasives Gmbh, Germany	Saint-Gobain HPM Polska sp.z o.o, Poland
Saint-Gobain Achats, France	Saint-Gobain Industrial Ceramics Pty Ltd, Australia
Saint-Gobain Adfors, France	SG Industrial Ceramics Ltd, UK
Saint-Gobain Building Distribution-UK	Saint-Gobain Industriekeramik Rodental Gmbh, Germany
SG Ceramic Materials AS, Norway	Saint-Gobain K.K., Japan
Saint-Gobain Corporation, France	Saint-Gobain Materiales Ceramicos, Venezuela
Saint-Gobain DSI Groupe, France	Saint-Gobain Materiaux Ceramiques, France
Saint-Gobain Glass, France	Saint-Gobain Nordic A/S, Denmark
Saint-Gobain India Private Limited, India	Saint-Gobain Pipes, France
Saint-Gobain Innovative Materials Belgium, Belgium	Saint-Gobain Performance Plastics (Shanghai) Co Ltd, China
Saint-Gobain Solar Gard, LLC, USA	Saint-Gobain Sekurit India Ltd, India
Saint-Gobain Norpro, USA	Saint-Gobain Sekurit (Thailand) Co Lt, Thailand
Saint-Gobain International Digital-IT Services, France	H.K.O. Isolier-Und Textiltechnik Gmbh, Germany
Saint-Gobain Glass Deutschland Gmbh, Germany	Saint-Gobain Proppants (Guanghan) Co., Ltd
Saint-Gobain (sea) Pte. Ltd., Philippines	Saint-Gobain Inovatif Malzemeler Ve Asindirici Sanayi Ticaret Anonim Sirketi, Turkey
Saint-Gobain Abrasifs, UAE	Saint-Gobain Technical Fabrics, S.A. De, Mexico
Saint-Gobain Abrasifs S.A. (Maroc), Morocco	Saint-Gobain Vietnam Ltd., Vietnam
Saint-Gobain Abrasifs, France	Savoie Refractaires, France
Saint-Gobain Abrasives Limited, New Zealand	Societe Europeenne Des Produits Refractaires - S.E.P.R., France
Saint-Gobain Abrasives (Pty.) Ltd., South Africa	Saint-Gobain Consulting Information and Organisation, France
Saint-Gobain Abrasives (Thailand) Ltd., Thailand	Saint-Gobain Distribuição Brasil Ltda, Brazil
Saint-Gobain Abrasives Ltd, UK	Saint-Gobain Info Sys Gmbh, Germany
Saint-Gobain Abrasives Limited, England	Saint-Gobain Isover, France
ST-Gobain Abrasives Pty. Ltd., Australia	Saint-Gobain Materiaux Ceramiques, Belgium
Saint-Gobain Abrasives S.A., Luxembourg	Saint-Gobain Performance Plastics Corby, UK
Saint-Gobain Abrasives (Shanghai) Co Ltd, China	Saint-Gobain Performance Plastics Korea Co Ltd, Korea

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Saint-Gobain Abrasives, Inc., USA	Saint-Gobain Performance Plastics Pampus Gmbh, Germany
Saint-Gobain Abrasivi SPA, Italy	Saint-Gobain Performance Plastics Ireland, Ireland
Saint-Gobain Abrasivos LDA. - (Portugal), Portugal	Saint-Gobain Performance Plastics Rencol Limited, UK
Saint-Gobain Abrasivos S.A.(ESPAÑA), Spain	Saint-Gobain Technology Services, France
Saint-Gobain Advanced Ceramics(Shanghai) Co Ltd, China	Thai Gypsum Products PCI, Thailand
Saint-Gobain Gyproc Emirates Industries LLC, UAE	Saint-Gobain Centre De Recherche Et D'Etudes Europeen, France
Saint-Gobain Adfors Cz S.R.O., Czech Republic	Saint-Gobain Abrasivos Limitada, Chile
Saint-Gobain Solar Gard Australia Pty. Ltd.	Saint-Gobain Distribution The Netherlands BV, Netherlands
Saint-Gobain Advanced Materials (Taiwan) Co Ltd	Saint-Gobain Adfors America, Inc, USA
Saint-Gobain Rigips Alci Sanayi Ve Ticaret Anonim Sirketi, Turkey	Saint-Gobain Adfors Austria Gmbh, Austria
Sanitas Troesch Ag, Switzerland	Toyoda Van Moppes Ltd
Saint-Gobain Performance Plastics Mg Silikon Gmbh, Germany	Saint-Gobain Performance Plastics L+S Gmbh, Germany
Compania Industrial El Volcan S.A	Saint Gobain Distribución Construcción, S.L.
Xuancheng Huiken Import and Export Co. Ltd	Hangzhou Join Leader New Materials Co, Ltd
Joinleader (Hk) New Materials Co.Limited	Brodrene Dahl As Norway
Saint-Gobain Construction Products South Africa (Pty) Ltd	Saint-Gobain Performance Plastics España S.A.
Saint-Gobain Glass Qingdao Co., Ltd.	Industrias Del Cuarzo S.A.
Saint-Gobain Gyproc Middle East FZE	Saint-Gobain Ceramics INC
Saint-Gobain Hycomp LLC	Saint Gobain PCR
Saint-Gobain Performance Plastics Tygaflor Ltd	Saint Gobain Abrasives, Dubai
Saint-Gobain Placo	Saint Gobain Abrasives, Reynosa
Saint-Gobain Performance Plastics France	Saint-Gobain Semiconductor Components
Saint-Gobain Niagra Falls, USA	Saint-Gobain Adfors España S.A
Saint-Gobain Construction Products Rus LLC	Saint-Gobain Malaysia SDN BHD
Saint-Gobain Glass UK Limited	Saint-Gobain Industries India Pvt Ltd.
Saint-Gobain Life Sciences - Beaver	Saint-Gobain Advanced Ceramics,LLC
Saint-Gobain Glass (United Kingdom)	Saint-Gobain Abrasifs(Deplanque)
SG Abrasivi DC Vercelli	
Saint-Gobain Performance Plastics Portag	

(iii) OTHER RELATED PARTIES :

Grindwell Norton Employees Gratuity Trust
Grindwell Norton Employees Superannuation Trust
Saint Gobain India Foundation

(iv) SUBSIDIARY COMPANY

Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.

(v) JOINT VENTURE:

SG Shinagawa Refractories India Private Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(vi) ASSOCIATE:

Cleanwin Energy Three LLP

(vii) KEY MANAGEMENT PERSONNEL

Mr. Keki Elavia, Independent Director

Dr. Archana Hingorani, Independent Director

Mr. Anand Mahajan, Non-Executive Director

Mr. Subodh Nadkarni, Independent Director

Mr. Mikhil Narang, Non-Executive Director (upto May 20, 2020)

Mr. Krishna Prasad, Alternate Director (upto January 01, 2022), whole time Director (w.e.f. February 03, 2022)

Mr. B. Santhanam, Managing Director

Mr. Sreedhar Natarajan, Non- Executive Director

Mr. Laurent Tellier, Non- Executive Director

Mr. Laurent Guillot, Non- Executive Director (upto August 05, 2021)

Mrs Isabelle Hoepfner, Non- Executive Director (upto January 01, 2022)

Mr. David Eric Molho, Non- Executive Director (w.e.f. October 12, 2021)

(viii) (a) Parent entities

The Group is controlled by following entity:

Name of entity	Type	Place of business	Ownership interest held by the Group	
			March 31, 2022	March 31, 2021
Compagnie de Saint-Gobain	Ultimate Holding Co*	Tour Saint-Gobain - 12 place de l'Iris, 92096 La Défense Cedex, France	51.60%	51.60%
* The Ultimate Holding Company ("Saint-Gobain") holds shares in the Company through the following subsidiaries				
Saint-Gobain Abrasives Inc	Fellow Subsidiary	1 New Bond Street, P.O Box 15008 Worcester MA 01615 USA	26.77%	26.77%
Societe de Participations Financieres et Industrielles	Fellow Subsidiary	Tour Saint-Gobain - 12 place de l'Iris, 92096 La Défense Cedex, France	24.56%	24.56%
Saint-Gobain India Pvt Ltd	Fellow Subsidiary	Sigapi Aachi Building, Floor No 7, 18/3 Rukmani Lakshmipathi Road, Egmore Chennai TN India 600008	0.27%	0.27%

(b) Subsidiaries

Name of entity	Type	Place of business	Ownership interest held by the Company	
			March 31, 2022	March 31, 2021
Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	Subsidiary	L-14 Pasakha Industrial Estate, PO Box 275, Pasakha Bhutan	70%	70%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(c) Joint Venture

Name of entity	Type	Place of business	Ownership interest held by the Company	
			March 31, 2022	March 31, 2021
SG Shinagawa Refractories India Private Limited	Joint Venture	No-1609, 16th Floor, Shapath-V Opp Karnawati Club, Sarkhej Gandhinagar, HIGHWAY, AHMEDABAD, Ahmedabad, Gujarat, India, 380015	49%	49%

(d) Associate

Name of entity	Type	Place of business	Ownership interest held by the Company	
			March 31, 2022	March 31, 2021
Cleanwin Energy Three LLP	Associate	1, Floor-G, plot no. 68, Shirin manzil, Nathalal Parikh marg, colaba, Mumbai -400005	27.27%	-

There are no transactions with associate during the year.

(e) (i) Key Management Personnel Compensation

	March 31, 2022	March 31, 2021
Short-term employee benefits ^	5,11.90	4,05.21
Post-employment benefits*	22.76	22.27
Sitting Fees	19.30	21.30
Commission	1,00.00	87.50

* Includes estimated amount of gratuity considering amount funded with LIC and does not include provision for leave encashment as separate actuarial valuation is not available.

^ It includes the remuneration of Mr. B. Santhanam, Managing Director, effective from April 1, 2020 and Mr. Krishna Prasad, Alternate Director Effective from May 20, 2020. upto January 01, 2022, whole time Director w.e.f. February 03, 2022.

(ii) During the Previous year leave encashment of ₹ 4,54.60 lakhs and gratuity of ₹ 6,90.31 lakhs was paid to the managing director (who retired on April, 2020) out of the provision made in earlier years.

(f) Transactions with related parties

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Sr. No.	Particulars	Holding Company		Fellow Subsidiaries		Other Related Parties		Subsidiary Company		Joint Venture	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1	Sales	-	-	170,79.65	110,85.07	-	-	-	-	5,72.39	-
2	Agency Commission	-	-	2,45.53	2,04.15	-	-	-	-	26.84	-
3	Service Income	1,90.67	2,96.66	134,51.05	125,28.49	-	-	18.75	45.00	5.00	45.00
4	Other Income	-	-	8,12.51	10,04.89	-	-	-	-	-	-
5	Dividend Income	-	-	2,85.01	17,10.04	-	-	-	-	-	-
6	Expenses incurred on behalf of group companies	2.69	14.29	33,98.92	28,15.16	-	-	20.25	9.41	29.05	48.16
7	Expenses charged by other group companies	8.69	87.21	32,04.93	29,55.11	-	-	-	-	-	-
8	Purchase of Goods	-	-	245,90.00	160,13.26	-	-	26,21.66	26,05.03	-	-
9	Royalty Paid	-	-	34,95.17	29,22.56	-	-	-	-	-	-
10	Dividend Paid	-	-	54,27.16	42,84.60	-	-	-	-	-	-
11	Donation Paid	-	-	4,47.53	4,76.39	-	-	-	-	-	-
12	Contribution to Post employment benefit plans	-	-	-	-	15,73.30	3,16.06	-	-	-	-
13	Trade Receivables*	16.14	37.55	6,839.49	5,178.67	-	-	-	-	1,16.62	28.14
14	Other Receivables*	-	0.91	5,25.15	6,49.15	-	-	4,08.38	3,71.43	-	3.18
15	Advances to Suppliers*	-	0.66	1,13.66	1,49.69	-	-	11.67	-	-	-
16	Trade Payables*	-	-	104,39.35	72,36.79	-	-	2,77.47	5,87.91	-	-
17	Advance from Customers*	-	-	6,04.47	3,19.31	-	-	-	-	-	5.15

* Closing Balance

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

(g) Loans to/from related parties

Particulars	March 31, 2022	March 31, 2021
Loans to key management personnel (at amortised cost)		
Beginning of the year	-	214.38
Loan repayments received	-	(214.38)
End of the year	-	-

(h) Rent paid to key management personnel ₹ 2.76 lakhs (March 31, 2021 - ₹ 2.76 lakhs).

(i) Terms and conditions

- Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.
- The terms and conditions of the loans to Key Managerial Personnel were as per the policy of the Company.
- All other transactions were made on normal commercial terms and conditions and at market rates.
- All outstanding balances are unsecured and are repayable in cash.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

- (j) Related parties with whom significant transactions were undertaken and included in figures reported in Note No. 48 (viii) (f) is as under

Sr. No.	Nature of Transactions	Name of the ccompany	March 31, 2022	March 31, 2021
1	Sale of Goods	Saint-Gobain Performance Plastics Corporation	47,17.08	32,18.93
		Saint-Gobain Performance Plastics (Shanghai) Co. Ltd.	20,35.89	1,84.54
2	Service Income	Saint-Gobain International Digital-It Services	61,80.84	55,97.91
		Saint Gobain Dsi Groupe, France	30,35.44	29,85.62
3	Purchase of Goods	Saint-Gobain Performance Plastics France	35,54.76	18,80.66
		Saint-Gobain Do Brasil Produtos Industriais E Para Construção Ltda, Brazil	31,71.12	12,32.72
		Saint-Gobain Performance Plastics Corporation	28,11.78	26,16.76
		Saint-Gobain Ceramic Materials Bhutan Private. Limited.	26,21.66	33,36.63
4	Royalty Paid	Saint-Gobain Abrasives Inc., USA	24,60.04	21,19.01
5	Expenses incurred on behalf of group companies	Saint-Gobain India Private Limited, India	32,69.17	25,66.00
6	Dividend Paid	Saint-Gobain Abrasives Inc., USA	23,93.07	22,22.66
		Societe de Participations Financieres et Industrielles	23,24.96	20,39.44

- 49 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act,2013 effective April 1, 2021.

- 50 The other matters as required under paragraph "L - Additional Regulatory Information" under part I of Division II of Schedule III of the Companies Act,2013 and Paragraph 7(l) and 7(n) of Part II of Division II and Schedule III to Companies Act 2013 as relevant to Standalone financial statements are either not applicable or there are no reportable matters.

The accompanying notes (1 to 50) are an integral part of the standalone financial statements.

As per our Report of even date

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

Sachin Parekh
Partner
Membership No. 107038

Bengaluru : May 6, 2022

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

Keki M. Elavia

B. Santhanam

Deepak Chindarkar

K. Visweswaran

Bengaluru : May 6, 2022

Chairman

Managing Director

Chief Financial Officer

Company Secretary

DIN 00003940

DIN 00494806

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
Cash flow from operating activities		
Profit before tax	399,62.49	319,63.59
Adjustments for;		
Depreciation and amortisation expenses	51,24.03	51,89.47
Loss/(Profit) on assets discarded/sold (net)	(3,15.76)	18.97
Gain on Redemption of Mutual Funds	(16,10.09)	(22,93.40)
Unrealised (gain)/loss on foreign exchange	47.63	(2,20.60)
Dividend income	(2,85.28)	(17,10.20)
Interest Income	(7,46.33)	(98.90)
Finance Costs	3,96.00	3,24.25
Share based Payments	1,56.70	1,76.42
Changes in fair value on financial instruments	2,46.32	8,87.34
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(37,19.00)	4,48.30
(Increase)/Decrease in inventories	(122,74.87)	(21,02.10)
(Increase)/Decrease in loans	(3,47.35)	2,63.35
(Increase)/Decrease in other financial asset	57.46	(1,98.03)
(Increase)/Decrease in other non-current asset	23.24	1,17.57
(Increase)/Decrease in other current asset	(10,00.43)	(14,85.88)
Increase/(Decrease) in trade payables	8,52.53	83,12.67
Increase/(Decrease) in provisions	2,09.44	(73.42)
Increase/(Decrease) in other non-current liabilities	(13.94)	(27.22)
Increase/(Decrease) in other current liabilities	11,66.22	5,06.93
Increase/(Decrease) in other financial liabilities	5,89.58	7,33.06
Cash generated from operations	285,18.59	407,32.17
Income taxes paid (net of refunds)	(99,66.52)	(76,57.75)
Net cash inflow from operating activities	185,52.07	330,74.42
Cash flows from investing activities		
Payments towards purchase of property, plant and equipment and intangible assets	(125,36.34)	(48,23.08)
Proceeds from maturity of NHAI bond	74.17	-
Proceeds from sale of property, plant and equipment	5,69.48	8.65
Sale/(Purchase) of Mutual Fund (net)	211,17.56	(82,05.45)
Purchase of non-current investment	(15.00)	(7,95.00)
Investment in Bank Deposit with maturity of more than 3 months	(154,25.99)	(104,78.00)
Dividend received	2,85.28	17,10.20
Interest received	4,08.72	36.05
Net cash (outflow) from investing activities	(55,22.12)	(225,46.63)
Cash flows from financing activities		
Interest paid	(3,96.00)	(3,24.25)
Proceeds from borrowings	2,15.34	-
Dividend paid	(105,18.40)	(83,04.00)
Payment of lease liabilities (Principal portion)	(6,53.62)	(8,40.39)
Net cash (outflow) from financing activities	(113,52.68)	(94,68.64)
Net increase / (decrease) in cash and cash equivalents	16,77.27	10,59.15
Add : Cash and cash equivalents at the beginning of the financial year (Refer note 12)	15,90.12	5,30.97
Cash and cash equivalents at end of the year as reported in balance sheet (Refer note 12)	32,67.39	15,90.12

Note : Above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS-7-Statement of Cash Flows notified under Section 133 of the Companies Act 2013.

As per our Report of even date

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

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

Keki M. Elavia

Chairman

DIN 00003940

B. Santhanam

Managing Director

DIN 00494806

Sachin Parekh
Partner

Deepak Chindarkar

Chief Financial Officer

Membership No. 107038

K. Visweswaran

Company Secretary

Bengaluru : May 6, 2022

Bengaluru : May 6, 2022

FORM AOC-1

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

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Venture
Part "A"- Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ lakhs)

1	Name of the subsidiary	:	Saint-Gobain Ceramic Materials Bhutan Pvt Ltd
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	:	January - December 2021
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 and surplus	:	9,18.01
6	Total assets	:	47,36.75
7	Total Liabilities	:	47,36.75
8	Investments	:	Nil
9	Turnover	:	31,06.47
10	Profit before taxation	:	(4,86.37)
11	Provision for taxation	:	(94.69)
12	Profit after taxation	:	(5,81.06)
13	Proposed Dividend	:	-
14	Extent of shareholding (in percentage)	:	70%

Note:

1	Names of subsidiaries which are yet to commence operations	:	Nil
2	Names of 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 and Joint ventures.

(I) Details of Joint Venture:

1	Name of Joint Venture	:	SG Shinagawa Refractories India Private Limited
2	Latest Balance Sheet Date (Audited)	:	March 31, 2022
3	Date on which Joint Venture was acquired	:	August 2, 2020
4	Shares of the Joint Venture held by the company on the year end	:	
	No. of shares	:	1,12,70,000
	Amount of investment (₹ in lakhs)	:	11,27.00
	Extent of Holding (in percentage)	:	49%
5	Description of how there is significant influence	:	Through shareholding

6	Reason why joint venture is not consolidated	:	Not applicable as the financials of this entity is consolidated in the Company's Consolidated Financials	
7	Networth attributable to shareholding as per latest audited Balance Sheet	:		20,86.93
8	Profit for the year (₹ in lakhs)	:		(2,01.00)
	Considered in Consolidation (₹ in lakhs)	:		(98.49)
	Not considered in Consolidation (₹ in lakhs)	:		(1,02.51)
(II) Details of Associate:				
1	Name of Associate	:	Cleanwin Energy Three LLP	
2	Latest Balance Sheet Date (Unaudited)	:	March 31, 2022	
3	Date on which Associate was acquired	:	August 28, 2021	
4	Shares of the Associate held by the company on the year end	:		
	No. of shares	:		NA
	Amount of investment (Rs. in lakhs)	:		15.00
	Extent of Holding (in percentage)	:		27.27%
5	Description of how there is significant influence	:	Through capital contribution	
6	Reason why associate is not consolidated	:	"Not applicable as the financials of this entity is consolidated in the Company's Consolidated Financials"	
7	Networth attributable to shareholding as per latest unaudited Balance Sheet	:		(61.80)
8	Profit for the year (Rs. in lakhs)	:		(23.47)
	Considered in Consolidation (Rs. in lakhs)	:		NA
	(The Company is not entitled in share of profit/(loss) of Associate entity)	:		
	Not considered in Consolidation (Rs. in lakhs)	:		(23.47)
Note:				
1	Names of associates or joint ventures which are yet to commence operations.	:		Nil
2	Names of associates or joint ventures which have been liquidated or sold during the year.	:		Nil

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

Keki M. Elavia	Chairman	DIN 00003940
B. Santhanam	Managing Director	DIN 00494806
Deepak Chindarkar	Chief Financial Officer	
K. Visweswaran	Company Secretary	

Bengaluru : May 6, 2022



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

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Grindwell Norton Limited (hereinafter referred to as the “Holding Company”) and its subsidiary (Holding Company and its subsidiary together referred to as “the Group”) and its joint venture and associate (refer Note 1.2 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its joint venture and associate as at March 31, 2022, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for opinion

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

Key audit matters

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

Key Audit Matter	How our audit addressed the key audit matter
Assessment of valuation of Unquoted Equity Investment	
<p>Refer to Notes 5B and 41 to the consolidated financial statements</p> <p>The Group has investments amounting to ₹ 19,007.00 lakhs in equity interest of two unquoted companies valued on ‘Fair Value through Other Comprehensive Income’ in accordance with related Accounting Standard.</p> <p>In measuring these investments, valuation methods are used based on inputs that are not directly observable from market information and certain other unobservable inputs. The Management has also used the services of an independent professional valuation expert in this regard.</p> <p>Key inputs used in the valuation of above investments are, cash flow projections, growth rate, terminal value, discount rate, net asset value etc.</p> <p>The valuation of these assets is a focus area of our audit as it is highly dependent on estimates (including various assumptions and techniques used) which contain assumptions that are not observable in the market.</p>	<p>Our procedures to test the valuation of investment in the unquoted equity instruments include the following:</p> <ul style="list-style-type: none"> • Understanding and evaluation of design and testing of operating effectiveness of the controls over determination of fair value (including valuation model and assumptions/ judgements) of unquoted equity instruments. • Assessing the accuracy and reasonableness of the input data provided by the Management by agreeing with approved budgets. • Comparing recent historical results vis-à-vis corresponding budgets. • Evaluation of competence, capabilities and objectivity of the valuation expert engaged by the Management. • Assessment of reasonableness of cash flow projections and performed audit procedures on management’s assumptions such as earnings, growth rate, cost escalation/ savings etc. and also along with the auditor’s expert, assessed valuation methodology, discount rate, terminal growth rate, etc.

Key Audit Matter	How our audit addressed the key audit matter
<p>Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the consolidated financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.</p>	<ul style="list-style-type: none"> ● Testing the mathematical accuracy of the discounted cash flow projections. Traced the net asset value to the financial statements of the investee. ● Assessed adequacy of relevant disclosures in the consolidated financial statements. <p>Based on the above audit procedures performed, the Management's assessment of valuation of investment in the unquoted equity instruments was considered to be reasonable.</p>

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditor as furnished to us (Refer paragraph 14(a)), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its joint venture and associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and its joint venture and associate to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its joint venture and associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance of the Holding Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. (a) The consolidated financial statements include the Group's share of net loss after tax of ₹ 98.49 lakhs and total comprehensive loss of ₹ 98.49 lakhs for the year ended March 31, 2022 as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid joint venture, is based solely on the reports of the other auditor.
- (b) We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹ 54,88.86 lakhs and net assets of ₹ 38,54.26 lakhs as at March 31, 2022, total revenue of ₹ 33,53.18 lakhs, total net loss after

tax of ₹ 1,89.59 lakhs, total comprehensive loss of ₹ 1,89.59 lakhs and cash inflow (net) of ₹ 2,29.14 lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss after tax of ₹ Nil and total comprehensive income of ₹ Nil in respect of one associate, whose financial information has not been audited by us. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and associate and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

15. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.
16. 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 and the reports of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its joint venture, incorporated in India, none of the directors of the Holding Company and its joint venture incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its joint venture and associate— Refer Note 44 to the consolidated financial statements.
 - ii. The Group, its joint venture and associate did not have any long term contracts including derivative contracts as at March 31, 2022 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 Holding Company during the year. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its joint venture during the year.

- iv. (a) The respective Managements of the holding Company and its joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such joint venture respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the holding Company or any of such joint venture to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the holding Company and any of such joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note 53 to the consolidated financial statements)
- (b) The respective Managements of the holding Company and its joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such joint venture respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the holding Company or any of such joint venture from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding Company or any of such joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note 53 to the consolidated financial statements)
- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditor of the joint venture which are companies incorporated in India whose financial statements have been audited under the act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared and paid during the year by the Holding Company, is in compliance with Section 123 of the Act. Further, the joint venture incorporated in India, has not declared or paid any dividend during the year.
17. The Holding Company have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. The provisions of Section 197 read with Schedule V to the Act are not applicable to its joint venture incorporated in India.

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

Sachin Parekh
Partner
Membership Number - 107038
UDIN- 22107038AIMNPN8513

Place - Bengaluru, India
Date - May 6, 2022

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Grindwell Norton Limited on the consolidated financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Grindwell Norton Limited (hereinafter referred to as "the Holding Company"), as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to its subsidiary company namely Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd., since it is incorporated outside India, its joint venture namely SG Shinagawa Refractories India Private Limited, incorporated in India, pursuant to MCA notification GSR 583(E) dated 13 June 2017 and its associate namely Cleanwin Energy Three LLP being limited liability partnership.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding Company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, is responsible for establishing and maintaining internal financial controls based on 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to Consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

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

Sachin Parekh
Partner:
Membership Number - 107038
UDIN- 22107038AIMNPN8513

Place - Bengaluru, India
Date - May 6, 2022

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	March 31, 2022	March 31, 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	362,91.93	348,87.85
Right-of-use asset	3A	12,62.36	12,07.92
Capital work-in-progress	3	66,24.41	23,99.88
Goodwill	4	48.80	48.80
Other intangible assets	4	9,50.09	8,57.11
Intangible assets under development	4	86.59	-
Investment accounted for using the equity method	5A	10,37.60	11,21.09
Financial assets			
i. Investments	5B	190,09.17	180,75.66
ii. Loans	6	3,90.50	79.11
iii. Other financial assets	7	35,66.99	9,09.84
Deferred tax assets (Net)	8	3,41.63	2,60.11
Other non-current assets	9	38,03.49	19,31.89
Total non-current assets		734,13.56	617,79.26
CURRENT ASSETS			
Inventories	10	447,61.08	322,54.00
Financial assets			
i. Investments	11	330,25.39	521,39.99
ii. Trade receivables	12	236,86.57	201,84.19
iii. Cash and cash equivalents	13	38,40.07	19,29.95
iv. Bank balances other than (iii) above	14	239,59.32	110,63.60
v. Loans	15	66.91	30.86
vi. Other financial assets	16	15,17.49	13,96.19
Current tax assets (Net)	8	26.60	21.18
Other current assets	17	70,50.98	56,67.81
Total current assets		1,379,34.41	1,246,87.77
TOTAL ASSETS		2,113,47.97	1,864,67.03
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18	55,36.00	55,36.00
Other Equity	19	1,513,09.70	1,309,46.48
Equity attributable to owners of the Company		1,568,45.70	1,364,82.48
Non-controlling interest		11,56.54	12,13.42
TOTAL EQUITY		1,580,02.24	1,376,95.90
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Lease liabilities	20	8,00.15	6,27.76
Provisions	21	26,77.50	25,90.71
Deferred tax liabilities (Net)	22	15,50.47	19,31.51
Other non-current liabilities	23	56.05	69.99
Total non-current liabilities		50,84.17	52,19.97
CURRENT LIABILITIES			
Financial liabilities			
i. Borrowing	24	2,15.34	-
ia. Lease liabilities	24	4,93.85	5,87.08
ii. Trade payables	25		
(a) Total outstanding dues of micro and small enterprises		5,74.73	5,46.45
(b) Total outstanding dues of creditors other than (ii)(a) above		321,95.30	306,32.30
iii. Other financial liabilities	26	63,12.16	56,65.58
Provisions	27	27,19.51	22,62.56
Current tax liabilities (Net)	28	14,09.02	6,79.06
Other current liabilities	29	43,41.65	31,78.13
Total current liabilities		482,61.56	435,51.16
TOTAL LIABILITIES		533,45.73	487,71.13
TOTAL EQUITY AND LIABILITIES		2,113,47.97	1,864,67.03

Significant Accounting Policies

1.3

The accompanying notes (1 to 53) are an integral part of the Consolidated financial statements.

As per our Report of even date

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

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

Keki M. Elavia

Chairman

DIN 00003940

B. Santhanam

Managing Director

DIN 00494806

Sachin Parekh
Partner

Deepak Chindarkar

Chief Financial Officer

Membership No. 107038

K. Visweswaran

Company Secretary

Bengaluru : May 6, 2022

Bengaluru : May 6, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	March 31, 2022	March 31, 2021
INCOME			
Revenue from Operations	30	2,012,75.88	1,637,91.56
Other Income	31	53,09.34	50,96.88
Total Income		2,065,85.22	1,688,88.44
EXPENSES			
Cost of materials consumed	32	702,76.34	521,98.94
Purchases of stock-in-trade	33	258,54.86	165,29.61
Changes in Inventories of work-in-progress, stock-in-trade and finished goods	34	(71,37.09)	33,53.62
Employee benefits expense	35	250,69.01	207,77.31
Finance costs	36	4,12.02	3,41.81
Depreciation and amortisation expense	37	53,46.71	54,35.54
Other expenses	38	470,76.30	385,24.65
Total expenses		1,668,98.15	1,371,61.48
Profit before share of profit/(loss) of joint venture and tax		396,87.07	317,26.96
Share of profit/(loss) of joint venture accounted for using the equity method		(98.49)	(6.65)
Profit before tax		395,88.58	317,20.31
Income tax expenses	39		
-Current tax		107,80.38	79,86.55
-Deferred tax		(6,99.46)	(40.45)
Total tax expenses		100,80.92	79,46.10
Profit for the year		295,07.66	237,74.21
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post employment benefit obligations - gain/(loss)		(3,33.71)	(2,57.11)
Change in fair value of equity instruments at Fair Value through Other Comprehensive Income (FVOCI)		16,47.00	26,67.00
Income tax relating to these items			
-Current tax		83.99	64.71
-Deferred tax		(2,36.90)	(5,15.36)
Other comprehensive income for the year		11,60.38	19,59.24
Total comprehensive income for the year		306,68.04	257,33.45
Net Profit attributable to:			
- Owners		295,64.54	239,18.26
- Non controlling interests		(56.88)	(1,44.05)
Total comprehensive income attributable to:			
- Owners		307,24.92	258,77.50
- Non-controlling interests		(56.88)	(1,44.05)
Earnings per equity share (Face value of ₹ 5/- each)			
Basic earnings per equity share (in ₹)	40	26.70	21.60
Diluted earnings per equity share (in ₹)	40	26.70	21.60
Significant Accounting Policies	1.3		

The accompanying notes (1 to 53) are an integral part of the Consolidated financial statements.

As per our Report of even date

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

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

Keki M. Elavia

Chairman

DIN 00003940

B. Santhanam

Managing Director

DIN 00494806

Sachin Parekh
Partner
Membership No. 107038
Bengaluru : May 6, 2022

Deepak Chindarkar

Chief Financial Officer

K. Visweswaran

Company Secretary

Bengaluru : May 6, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

I) EQUITY SHARE CAPITAL

	Notes	Amount
Balance as at March 31, 2020		5,536.00
Changes in equity share capital	18	-
Balance as at March 31, 2021		5,536.00
Changes in equity share capital	18	-
Balance as at March 31, 2022		5,536.00

II) OTHER EQUITY

	Notes	Reserves and Surplus			Other Items of Equity			Grand Total		
		Securities Premium	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Revaluation Surplus	Share Based Payment Plan Account	Total Attributable to Owners of the Company	Attributable to Non-controlling Interest	Total
Balance as at March 31, 2020		27,90.82	402,01.34	600,02.54	91,62.23	3,35.34	7,04.29	1,131,96.56	13,57.47	1,145,54.03
Profit for the year	19	-	-	239,18.26	-	-	-	239,18.26	(1,44.05)	237,74.21
Remeasurement of post employment benefit obligation, net of tax		-	-	(1,92.40)	-	-	-	(1,92.40)	-	(1,92.40)
Share Based Payment (Refer Note 47)		-	-	-	-	-	1,76.42	1,76.42	-	1,76.42
Change in fair value of Equity Instruments through Other Comprehensive Income, net of tax		-	-	-	21,51.64	-	-	21,51.64	-	21,51.64
Transactions with Owners in their capacity as owners										
Dividend for the financial year 2019-20		-	-	(83,04.00)	-	-	-	(83,04.00)	-	(83,04.00)
Balance as at March 31, 2021		27,90.82	402,01.34	754,24.40	113,13.87	3,35.34	8,80.71	1,309,46.48	12,13.42	1,321,59.90
Profit for the year	19	-	-	295,64.54	-	-	-	295,64.54	(56.88)	295,07.66
Remeasurement of post employment benefit obligation, net of tax		-	-	(2,49.72)	-	-	-	(2,49.72)	-	(2,49.72)
Share Based Payment (Refer Note 47)		-	-	-	-	-	1,56.70	1,56.70	-	1,56.70
Change in fair value of Equity Instruments through Other Comprehensive Income, net of tax	19	-	-	-	14,10.10	-	-	14,10.10	-	14,10.10
Transactions with Owners in their capacity as owners										
Dividend for the financial year 2020-21		-	-	(105,18.40)	-	-	-	(105,18.40)	-	(105,18.40)
Balance as at March 31, 2022		27,90.82	402,01.34	942,20.82	127,23.97	3,35.34	10,37.41	1,513,09.70	11,56.54	1,524,66.24

The accompanying notes (1 to 53) are an integral part of the Consolidated financial statements.

As per our Report of even date

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

Sachin Parekh
Partner
Membership No. 107038
Bengaluru : May 6, 2022

Keki M. Elavia
B. Santhanam
Deepak Chindarkar
K. Visweswaran

Chairman
Managing Director
Chief Financial Officer
Company Secretary

DIN 00003940

DIN 00494806

Bengaluru : May 6, 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 1

1.1 CORPORATE INFORMATION

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

The Consolidated Financial Statements relate to Grindwell Norton Limited, its Subsidiary Company, Saint-Gobain Ceramic Materials Bhutan Private Limited, a Company incorporated in Bhutan (jointly referred as "the Group") and its Joint Venture entity SG Shinagawa Refractories India Private Limited and its associate, Cleanwin Energy Three LLP.

In the Group, the businesses are divided into three major segments:

1. Abrasives;
2. Ceramics and Plastics; and
3. IT Services

The Consolidated Financial Statements for the year ended March 31, 2022 were authorized for issue in accordance with a resolution of the Board of Directors on May 6, 2022.

1.2 BASIS OF PREPARATION

(i) Compliance with Ind AS

The Consolidated Financial Statements comply in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), and other relevant provisions of the Act as applicable.

(ii) Historical cost convention

The Consolidated Financial Statements have been prepared on a historical cost basis, except the following:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments calculated using the Black and Scholes option pricing model for the Ultimate Parent Company.

(iii) Current versus non-current classification

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

(iv) New standard adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2021.

- Extended Covid-19 Related Concessions - Ind AS 116 "Leases"
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any material impact on the amounts recognised in current and prior periods and are not expected to significantly affect the future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(v) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(vi) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 1, 2021.

Consequent to above, the Group has changed the classification/presentation of security deposits, in the current year.

Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in Other financial assets line item. Previously, these deposits were included under the 'Loans' line item.

The Group has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1.

(vii) Basis of consolidation:

The consolidated financial statements relate to Grindwell Norton Limited, its Subsidiary Company, Saint-Gobain Ceramic Materials Bhutan Private Limited, a Company incorporated in Bhutan in which the Company has 70% equity holding and its Joint Venture entity SG Shinagawa Refractories India Private Limited in which the Company has 49% shareholding and one associate Cleanwin Energy Three LLP. The Company has 27% of capital contribution in the associate. The financial statements of the Subsidiary Group and the Associate for the year ended March 31, 2022 have not been audited and information have been considered in the Consolidated Financial Statements based on the unaudited financial statements as certified by the Management and these are considered not material to the Group. The consolidated financial statements have been prepared in accordance with the applicable Accounting Standards in India and other generally accepted accounting principles.

(viii) Principles of consolidation:

The Consolidated Financial Statements have been prepared on the following basis:

(a) Subsidiaries

The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Ind AS -110.

"Non-Controlling Interest" represents the amount of equity attributable to minority shareholders at the date on which investment in the subsidiary is made and its share of movements in the equity since that date. Minority interest's share of net profit/ loss for the year of the subsidiary is identified and adjusted against the profit after tax of the group.

(b) Joint Venture and Associate

The Group's investments in its joint venture and associate are accounted for using the equity method. Under the equity method, the investment in a joint venture and associate is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture and associate since the acquisition date. As per contractual term, the Company is not entitled for a share of profit/(loss) in the associate, Cleanwin Energy Three LLP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

1.3 SIGNIFICANT ACCOUNTING POLICIES

A. Property, plant and equipment

(i) Recognition and measurement:

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

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

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

The capital work in progress is capitalised when it is ready for management's intended use.

(ii) Subsequent Expenditure:

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

(iii) Depreciation:

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

B. Intangible assets

(i) Recognition and measurement:

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

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

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

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

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

(ii) Amortisation :

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

- | | | |
|------------------------|---|--------------|
| (i) Computer Software | : | 3 to 5 years |
| (ii) Other Intangibles | : | 10 years |

C. Impairment of assets

(i) Financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, and bank balance.
- b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

(ii) Non-financial assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

D. Inventories

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

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

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

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

E. Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories –

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

(ii) Measurement

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

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

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

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

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Derecognition

A financial asset is derecognised only when,

- (a) The Group has transferred the rights to receive cash flows from the financial asset or
- (b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

F. Cash and cash equivalents

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

G. Financial Liabilities

(i) Measurement

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

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

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

(ii) Derecognition

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

H. Foreign currency translation

(i) Functional and presentation currency:

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

(ii) Transactions and balances

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

I. Forward contracts - Not designated as hedges

The Group enters into derivative contracts (forward contracts) to hedge the risk of foreign exchange fluctuations. Such contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The contracts are accounted for at fair value through profit and loss.

J. Revenue recognition

(i) Sale of goods

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

(ii) Service income

Service income mainly includes income from IT support services. Revenue generated by the sale of services is recognized when the services have been rendered, or by reference to the stage of completion of the services, as per rates calculated based on estimated costs plus fixed percentage of mark up.

(iii) Dividend

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

(iv) Interest Income

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

(v) Other operating income

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

K. Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

Post-employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(b) defined contribution plans such as provident fund.

Defined Benefit Plan - Gratuity obligations

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

Defined contribution plans

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

(iii) Share-based payments

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

(iv) Termination benefits

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

L. Borrowing Costs

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

M. Income Tax

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

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

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

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

N. Provisions and Contingencies

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

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

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

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

Contingent liabilities not provided for as per above are disclosed in notes forming part of the Consolidated Financial Statements.

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

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

O. Earnings per share

(i) Basic earnings per share

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

(ii) Diluted earnings per share

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

P. Segment reporting

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

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

Q. Government grants

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

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

R. Leases

As a lessee

The Group mainly has lease arrangements for land and building (office premises and warehouses).

The Group assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether there is an identified asset, whether the Group has the right to direct the use of the asset and whether the Group obtains substantially all the economic benefits from the use of that asset.

The Group recognises a right-of-use asset and a corresponding lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group uses an incremental borrowing rate specific to the Country, term and currency of the contract. Generally, the Group uses its incremental borrowing rate as the discount rate.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset on the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability is accounted at amortised cost. The lease liabilities are adjusted for the lease payments made by the Group. Lease payments are allocated between principal and finance cost. Finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. In case of changes in the future lease payments due to renegotiation, changes of an index or rate, the lease liability is remeasured (with a corresponding adjustment to the related right-of-use asset).

Short-term leases and leases of low-value assets: The Group has elected not to recognize right-of-use assets and lease liabilities for short term leases as well as low value assets.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

S. Offsetting financial instruments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

T. Rounding off amounts

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

NOTE: 2

2.1 USE OF JUDGEMENTS, ESTIMATE AND ASSUMPTIONS

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

Judgment, estimates and assumptions are required in particular for:

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

Useful lives of tangible assets are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

(b) Recognition and measurement of defined benefit obligations

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

(c) Measurement of Fair valuation of financial instruments

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

(d) Impairment of financial assets

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

(e) Determination of lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise termination option. Extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated):

The factors such as significant penalties (including economic cost), leasehold improvements, disruption in business etc. are considered in evaluation.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant change in circumstance occurs, which affects this assessment, and is within the control of the Management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

3 PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ lakhs, unless otherwise stated)

	Land - Freehold	Buildings #	Leasehold Improvements	Plant and Equipment	Electrical installations and Equipments	Laboratory Equipments	Computers	Furniture and Fixtures	Office Equipment	Vehicles	Total	Capital work-in-progress
Gross carrying amount:												
As at March 31, 2020	19,01.35	159,88.37	10,01.21	337,51.56	4,31.72	1,70.20	16,23.02	13,98.66	7,52.75	3,39.99	573,58.83	29,12.27
Additions	-	4,45.86	9.13	25,79.79	40.70	1.58	1,29.99	48.81	47.46	-	33,03.32	2,790.93
Deductions	-	(15.34)	-	(2,36.49)	(0.35)	-	(5.44)	(21.35)	(8.40)	(7.71)	(2,95.08)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	(3,303.32)
As at March 31, 2021	19,01.35	164,18.89	10,10.34	360,94.86	4,72.07	1,71.78	17,47.57	14,26.12	7,91.81	3,32.28	603,67.07	23,99.88
Reclassification	-	-	-	-	-	-	-	-	-	-	-	(10.61)
Additions	-	16,50.65	-	35,94.87	68.42	27.32	4,04.50	1,75.34	1,61.44	-	60,82.54	103,17.68
Deductions	-	(7.31)	(4,40.04)	(2,12.98)	(3.96)	(1.55)	(10.74)	(47.52)	(18.04)	(37.43)	(7,79.57)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	(60,82.54)
As at March 31, 2022	19,01.35	180,62.23	5,70.30	394,76.75	5,36.53	1,97.55	21,41.33	15,53.94	9,35.21	2,94.85	656,70.04	66,24.41
Accumulated Depreciation:												
As at March 31, 2020	-	26,99.85	5,61.65	153,70.25	1,07.98	69.41	11,93.65	6,97.20	4,74.37	85.22	212,59.58	-
Depreciation for the year	-	5,98.58	1,17.19	31,82.09	40.65	17.66	2,58.01	1,28.88	1,02.10	41.94	44,87.10	-
Depreciation on deductions	-	(14.99)	-	(2,11.28)	(0.35)	-	(5.39)	(19.69)	(8.05)	(7.71)	(2,67.46)	-
As at March 31, 2021	-	32,83.44	6,78.84	183,41.06	1,48.28	87.07	14,46.27	8,06.39	5,68.42	1,19.45	254,79.22	-
Depreciation for the year	-	6,26.85	97.77	31,03.75	47.29	18.42	2,58.01	1,31.69	98.82	39.10	44,21.70	-
Depreciation on deductions	-	(2.39)	(2,65.53)	(1,70.08)	(0.94)	(1.55)	(10.10)	(32.92)	(16.19)	(23.11)	(5,22.81)	-
As at March 31, 2022	-	39,07.90	5,11.08	212,74.73	1,94.63	1,03.94	16,94.18	9,05.16	6,51.05	1,35.44	293,78.11	-
Net Carrying amount:												
As at March 31, 2021	19,01.35	131,35.45	3,31.50	177,53.80	3,23.79	84.71	3,01.30	6,19.73	2,23.39	2,12.83	348,87.85	23,99.88
As at March 31, 2022	19,01.35	141,54.33	59.22	182,02.02	3,41.90	93.61	4,47.15	6,48.78	2,84.16	1,59.41	362,91.93	66,24.41

Includes an amount of ₹ 7,50.00 (March 31, 2021 - ₹ 7,50.00) representing the value of shares in a co-operative housing society

(a) Ageing of Capital work-in-progress(CWIP)

	Amount in capital work in progress for a period of			Total
	Less than 1 year	1 - 2 years	2 - 3 years	
Projects in Progress as at March 31, 2022	64,45.87	1,21.61	56.93	66,24.41
Projects in Progress as at March 31, 2021	22,10.64	1,66.41	12.99	23,99.88
			9.84	

(b) Completion schedule for capital work in progress whose completion is over due or exceeded its cost compared to its original plan as on March 31, 2022

	Projects in progress to be completed in			Total
	Less than 1 year	1 - 2 years	2 - 3 years	
Kiln	20.72	-	-	20.72
Press	56.94	-	-	56.94
Total	77.66	-	-	77.66

There are no projects whose completion is overdue or exceeded its cost compared to its original plan as on March 31, 2021.

(c) Capital work-in-progress mainly comprises of plant and machinery.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

3A RIGHT-OF-USE ASSET

	Land	Building	Total
Gross carrying amount:			
As at March 31, 2020	2,88.40	30,07.35	32,95.75
Deductions	-	(4,18.96)	(4,18.96)
As at March 31, 2021	2,88.40	25,88.39	28,76.79
Addition		7,89.64	7,89.64
Deductions	-	(9,76.64)	(9,76.64)
As at March 31, 2022	2,88.40	24,01.39	26,89.79
Accumulated Depreciation :			
As at March 31, 2020	30.20	9,99.86	10,30.06
Depreciation for the year	26.33	8,67.71	8,94.04
Depreciation on deductions		(2,55.23)	(2,55.23)
As at March 31, 2021	56.53	16,12.34	16,68.87
Depreciation for the year	26.34	6,69.20	6,95.54
Depreciation on deductions		(9,36.98)	(9,36.98)
As at March 31, 2022	82.87	13,44.56	14,27.43
Net Carrying amount:			
As at March 31, 2021	2,31.87	9,76.05	12,07.92
As at March 31, 2022	2,05.53	10,56.83	12,62.36

4 INTANGIBLE ASSETS

	Computer Software	Trade Marks	Non Compete Fees and Marketing Network	Total	Goodwill	Intangible Assets Under Development
Gross carrying amount:						
As at March 31, 2020	3,89.34	23.97	1,17.90	5,31.21	48.80	-
Additions	867.94	-	-	867.94	-	8,67.94
Transfer						(8,67.94)
As at March 31, 2021	12,57.28	23.97	1,17.90	13,99.15	48.80	-
Reclassification	-	-	-	-	-	10.61
Additions	3,22.46	-	-	3,22.46	-	3,98.44
Deductions	(7.89)	-	-	(7.89)	-	-
Transfers	-	-	-	-	-	(3,22.46)
As at March 31, 2022	15,71.85	23.97	1,17.90	17,13.72	48.80	86.59
Accumulated Amortisation:						
As at March 31, 2020	3,69.74	-	1,17.90	4,87.64	-	-
Amortisation for the year	54.40	-	-	54.40	-	-
As at March 31, 2021	4,24.14	-	1,17.90	5,42.04	-	-
Amortisation for the year	2,29.48	-	-	2,29.48	-	-
Depreciation on deductions	(7.89)	-	-	(7.89)	-	-
As at March 31, 2022	6,45.73	-	1,17.90	7,63.63	-	-
Net Carrying amount:						
As at March 31, 2021	8,33.14	23.97	-	8,57.11	48.80	-
As at March 31, 2022	9,26.12	23.97	-	9,50.09	48.80	86.59

(a) Ageing of intangible assets under development

	Amount in Intangible assets under development for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress as at March 31, 2022	75.98	10.61	-	-	86.59
Projects in Progress as at March 31, 2021	-	-	-	-	-

As at March 31, 2022 and March 31, 2021 there are no projects whose completion is overdue or exceeded its cost compared to its original plans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
5A INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Unquoted Equity Instrument;		
Investment in Joint Venture		
SG Shinagawa Refractories India Private Limited 1,12,70,000 (March 31, 2020 : 1,12,70,000) equity shares of ₹ 10/- each fully paid up	10,22.60	11,21.09
Investment in Associate		
Cleanwin Energy Three LLP (Represents capital contribution to the extent of 27.27% of total capital. The Company is not entitled in share of profit/(loss) of Associate entity)	15.00	-
	<u>10,37.60</u>	<u>11,21.09</u>
5B NON-CURRENT FINANCIAL ASSETS - INVESTMENTS		
Quoted Investments		
Investment in Government Securities (at Amortised cost)		
8.20% 10 Years NHAI Tax Free Bonds	-	74.17
Unquoted Investments		
Investment in Equity Instruments (at fair value through other comprehensive income)		
John Oakey & Mohan Ltd. 1,900 (March 31, 2021 : 1,900) equity shares of ₹ 10/- each fully paid up	0.16	0.16
Andhra Pradesh Gas Power Corporation Ltd. 28,97,080 (March 31, 2021 : 28,97,080) equity shares of ₹ 10/- each fully paid up	13,15.00	28,62.00
Shivalik Solid Waste Management Ltd. 20,000 (March 31, 2021 : 20,000) equity shares of ₹ 10/- each fully paid up	2.00	2.00
In Fellow Subsidiaries :		
Saint-Gobain India Pvt. Ltd. 28,50,074 (March 31, 2021 : 28,50,074) equity shares of ₹ 10/- each fully paid up	176,92.00	144,98.00
Saint-Gobain India Foundation 100 (March 31, 2021 : 100) equity shares of ₹10/- each fully paid up	0.01	0.01
Investment in Mutual Funds (at Fair Value through Profit and Loss)	-	6,39.32
	<u>190,09.17</u>	<u>180,75.66</u>
Aggregate amount of quoted investments	-	74.17
Aggregate market value of quoted investments	-	79.62
Aggregate amount of unquoted investments	200,46.77	191,22.58
6 NON-CURRENT FINANCIAL ASSETS - LOANS		
Loans Receivables considered good - Unsecured		
Loan to Employees*	3,90.50	79.11
	<u>3,90.50</u>	<u>79.11</u>
* includes loan to a Key Managerial Person as defined under Companies Act, 2013 of ₹ 1,29.69 lakhs (March 31, 2021 - Nil)		
7 NON-CURRENT - OTHER FINANCIAL ASSETS		
Unsecured - considered good		
Bank Deposits (Deposit with maturity of more than 12 months) [₹ 25,05.00 lakhs lien with Axis bank for term loan (March 31, 2021 -Nil)]	25,50.25	13.38
Security Deposits	10,16.74	8,96.46
Unsecured and considered doubtful		
Advances recoverable in cash or in kind	40.49	40.49
Less: Provision for doubtful advances	(40.49)	(40.49)
	<u>35,66.99</u>	<u>9,09.84</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
8 TAX ASSETS		
Deferred tax assets (Net) (Refer Note 22)	3,41.63	2,60.11
Current tax asset (Net)	26.60	21.18
	3,68.23	2,81.29
9 OTHER NON-CURRENT ASSETS		
Capital advances	34,74.38	15,78.61
Advances other than capital advances:		
- Deposits with Government Authorities	1,00.15	99.74
- Prepaid Expenses	92.99	15.52
Balances with Government Authorities	1,35.97	2,38.02
	38,03.49	19,31.89
10 CURRENT ASSETS - INVENTORIES		
(The mode of valuation of Inventories has been stated in Note : 1.3 (D))		
Raw Materials	210,07.67	149,36.54
Raw Materials in Transit	23,71.76	30,03.58
Work-in-Progress	76,11.02	60,06.63
Finished Goods *	65,49.97	34,05.13
Stock in Trade	59,59.80	35,71.94
Stores and Spares	12,60.86	13,30.18
	447,61.08	322,54.00
* Includes in transit - ₹ 22,75.75 lakhs (March 31, 2021 - ₹ 10,35.87 lakhs) Write-downs of inventories to net realisable value amounted to ₹ 14,93.39 lakhs are charged off in statement of profit and loss for the year ended March 31, 2022 (March 31, 2021 - ₹ 2,30.15 lakhs).		
11 CURRENT FINANCIAL ASSETS - INVESTMENTS		
Unquoted Investments		
Investment in Mutual Funds (at Fair Value through Profit and Loss)	330,25.39	521,39.99
	330,25.39	521,39.99
12 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
<u>Considered good - unsecured</u>		
Trade receivables	173,92.40	156,43.53
Receivables from Related Parties (Refer Note No.48)*	69,72.25	52,16.22
	243,64.65	208,59.75
Less: Loss Allowance	(6,78.08)	(6,75.56)
	236,86.57	201,84.19
* Includes ₹ 7,54.86 lakhs (March 31, 2021 - ₹ 2,64.48 lakhs) due from a Private Company in which the Director of the Company is a Director.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Ageing of trade receivables:

As at March 31, 2022	Outstanding for the following period from the due date of payment:							Total
Particular	Unbilled	Not Due	Less than 6 months	6 Months- 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed Trade receivables - considered good (unsecured)	-	139,24.57	96,99.56	173.90	100.58	214.77	251.27	243,64.65

As at March 31, 2021	Outstanding for the following period from the due date of payment:							Total
Particular	Unbilled	Not Due	Less than 6 months	6 Months- 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed Trade receivables – considered good (unsecured)	-	106,17.14	92,25.53	2,08.53	5,34.93	93.04	180,58	208,59.75

13 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

Balances with Banks

- in Current Accounts

- in Deposit Accounts with original maturity of less than 3 months

Cash Balances

March 31, 2022

March 31, 2021

13,39.03

19,28.97

25,00.00

-

1.04

0.98

38,40.07

19,29.95

14 CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Balances with Banks

- Deposits with maturity of more than 3 months but less than 12 months

- Margin Money Deposits (Security for Bank Guarantees and Lien with Excise Authorities)

- Unpaid Dividend

- Gratuity Fund

237,63.25

108,78.00

3.87

3.87

1,53.60

1,36.51

38.60

45.22

239,59.32

110,63.60

15 CURRENT FINANCIAL ASSETS - LOANS

Loans Receivables considered good - Unsecured

Loan to Employees*

66.91

30.86

66.91

30.86

* includes loan to a Key Managerial Person as defined under Companies Act, 2013 of ₹ 18.75 lakhs (March 31, 2021 - Nil)

15.1 The Company has not provided any loans and advances in the nature of loans to its Subsidiary/Joint venture/Associate during the year (March 31, 2021 - ₹ Nil) and hence disclosure requirement under regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, is not applicable.

16 CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

Derivatives - Foreign-exchange forward contracts

Employee Advances

Security Deposits

Others*

March 31, 2022

March 31, 2021

4,89.33

4,22.97

1,94.44

1,70.37

-

19.41

8,33.72

7,83.44

15,17.49

13,96.19

* Includes receivable from Related Parties - ₹ 5,25.15 lakhs (March 31, 2021 - ₹ 6,50.06 lakhs)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

17 OTHER CURRENT ASSETS

	March 31, 2022	March 31, 2021
Prepaid expenses	4,29.65	1,25.55
Balances with Government Authorities	17,84.58	19,16.45
Export benefit receivable	3,80.14	5,78.22
Advances to Suppliers*	44,56.61	30,47.59
	70,50.98	56,67.81

* Includes advance to Related Parties - ₹ 1,13.66 lakhs
(March 31, 2021 - ₹ 1,50.35 lakhs)

18 EQUITY SHARE CAPITAL AUTHORISED

11,20,00,000 (March 31, 2021 : 11,20,00,000) Equity Shares of ₹ 5/- each

ISSUED SUBSCRIBED AND PAID UP

11,07,20,000 (March 31, 2021 : 11,07,20,000) Equity Shares of ₹ 5/- each fully paid-up

	March 31, 2022	March 31, 2021
	56,00.00	56,00.00
	55,36.00	55,36.00
	55,36.00	55,36.00

(a) Shareholding of promoters

Promoter Name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of shares	% of Holding	Number of shares	% of Holding	
Saint-Gobain Abrasives Inc	2,96,35,520	26.77%	2,96,35,520	26.77%	-
Spafi Societe De Participations Financieres Et Industrielles	2,71,92,480	24.56%	2,71,92,480	24.56%	-
Vera Anand Mahajan	18,89,115	1.71%	18,89,115	1.71%	-
Khursheed M Narang	14,82,515	1.34%	17,03,515	1.54%	(12.97%)
Ashaita Mahajan	10,57,028	0.95%	10,57,028	0.95%	-
Aakil Anand Mahajan	9,97,628	0.90%	9,97,628	0.90%	-
Danesh M Narang	6,17,000	0.56%	6,69,000	0.60%	(7.77%)
Anand Yashavant Mahajan	5,09,904	0.46%	5,09,904	0.46%	-
Mikhil M Narang	4,82,582	0.44%	4,82,582	0.44%	-
Saint-Gobain India Private Limited	3,00,000	0.27%	3,00,000	0.27%	-
Malvinder C Narang	1,38,000	0.12%	1,38,000	0.12%	-

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

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% of Holding	Number of shares	% of Holding
Saint-Gobain Abrasives Inc.*	2,96,35,520	26.77%	2,96,35,520	26.77%
Societe de Participations Financieres et Industrielles*	2,71,92,480	24.56%	2,71,92,480	24.56%
Saint-Gobain India Private Limited	3,00,000	0.27%	3,00,000	0.27%
	5,71,28,000	51.60%	5,71,28,000	51.60%

* Also represents Shareholders' holding more than 5 % of total equity share capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(c) Movement in Equity Share Capital

Authorised Share Capital	Number of shares	Equity Shares Capital (par value)
As at 31 March 2020	11,20,00,000	56,00.00
Increased during the year	-	-
As at 31 March 2021	11,20,00,000	56,00.00
Increased during the year	-	-
As at 31 March 2022	11,20,00,000	56,00.00

Issued and paid-up share capital	Number of shares	Equity Shares Capital (par value)
As at March 31, 2020	11,07,20,000	55,36.00
Increased during the year	-	-
As at March 31, 2021	11,07,20,000	55,36.00
Increased during the year	-	-
As at March 31, 2022	11,07,20,000	55,36.00

(d) Rights and restrictions attached to the shares

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

- (e) (i) Pursuant to the approval of the Shareholders, through postal ballot and e-voting on July 7, 2016, the Company on July 22, 2016, issued and allotted 5,53,60,000 Ordinary Equity Shares of ₹ 5/- each, as fully paid-up Bonus Shares in the proportion of 1 (One) Bonus Share of ₹ 5/- each for each Ordinary Equity Share of ₹ 5/- each held on the Record Date i.e. July 15, 2016. The company has not allotted bonus shares other than noted above during five years immediately preceding the date of balance sheet.
- (ii) The Company has not allotted any equity shares pursuant to contract without payment being received in cash nor bought back shares during five, years immediately preceding the date of balance sheet.

19 OTHER EQUITY

Reserves and Surplus (Refer Note 19 (a))
Other items of Equity (Refer Note 19 (b))

19(a) RESERVES AND SURPLUS

Securities Premium
General Reserve
Retained Earnings

March 31, 2022	March 31, 2021
1,372,12.98	1,184,16.56
140,96.72	125,29.92
1,513,09.70	1,309,46.48
27,90.82	27,90.82
402,01.34	402,01.34
942,20.82	754,24.40
1,372,12.98	1,184,16.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
i) SECURITIES PREMIUM		
Opening Balance	27,90.82	27,90.82
	<u>27,90.82</u>	<u>27,90.82</u>
ii) GENERAL RESERVE		
Opening Balance	402,01.34	402,01.34
	<u>402,01.34</u>	<u>402,01.34</u>
iii) RETAINED EARNINGS		
Opening balance	754,24.40	600,02.54
Net profit for the period	295,07.66	237,74.21
Add: Share of loss of Non-controlling Interest	56.88	1,44.05
<u>Items of other comprehensive income recognised directly in retained earnings</u>		
Remeasurement of post employment benefit obligation (net of tax)	(2,49.72)	(1,92.40)
<u>Appropriations</u>		
Dividend	(105,18.40)	(83,04.00)
[Dividend per share ₹ 9.50 /- for year 2020-21 (2019-20 ₹ 7.50/-)]		
	<u>942,20.82</u>	<u>754,24.40</u>

19(b) Other Items of Equity

	Equity Instruments through Other Comprehensive Income	Share Based Payment Plan Account	Revaluation Surplus	Total
As at March 31, 2020	91,62.23	7,04.29	3,35.34	102,01.86
Change in fair value of Equity Instruments through Other Comprehensive Income, net of tax	21,51.64	-	-	21,51.64
Share Based Payment (Refer Note 47)	-	1,76.42	-	1,76.42
As at March 31, 2021	<u>113,13.87</u>	<u>8,80.71</u>	<u>3,35.34</u>	<u>125,29.92</u>
Change in fair value of Equity Instruments through Other Comprehensive Income, net of tax	14,10.10	-	-	14,10.10
Share Based Payment (Refer Note 47)	-	1,56.70	-	1,56.70
As at March 31, 2022	<u>127,23.97</u>	<u>10,37.41</u>	<u>3,35.34</u>	<u>140,96.72</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Nature and purpose of reserves:

(i) Securities Premium

Securities premium is used to record the premium on issue of shares. This is to be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) General Reserve

The general reserve is a free reserve, retained from Company's profits. The reserves can be utilised as per the provisions of the Companies Act, 2013.

(iii) Equity Instruments through Other Comprehensive Income

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

(iv) Share Based Payment Plan Account

The Share Based Payment Plan Account is used to recognize the grant date fair value of options issued under Group (Compagnie de Saint-Gobain) share based payment arrangement to certain employees of the company under employee stock option plans.

(v) Revaluation Surplus

Revaluation Surplus was created under the erstwhile Indian GAAP to recognize the gain due to increase in value of certain Tangible assets as on June 30, 1988.

	March 31, 2022	March 31, 2021
20 NON-CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES		
Lease liabilities (Refer Note 45 B)	8,00.15	6,27.76
	8,00.15	6,27.76
21 NON-CURRENT LIABILITIES - PROVISIONS		
Compensated Absence (Refer Note 27.1)	26,77.50	24,19.47
Gratuity (Refer Note 35.1)	-	1,71.24
	26,77.50	25,90.71
22 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
The balance comprises temporary differences attributable to:		
Depreciation	17,86.10	19,40.06
Financial assets at FVOCI	15,50.29	13,13.39
Total Deferred tax Liabilities	33,36.39	32,53.45
Deferred tax asset		
The balance comprises temporary differences attributable to:		
Provision for employee benefits	(12,71.00)	(10,36.29)
Others	(5,14.92)	(2,85.65)
Total Deferred tax asset	(17,85.92)	(13,21.94)
	15,50.47	19,31.51

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Movement in deferred tax Liabilities and Asset

	Depreciation	Provision for employee benefits	Financial Assets at FV OCI	Others	Total	Depreciation and Other items in Another Jurisdiction
As at March 31, 2020	20,88.58	(11,41.18)	7,98.03	(2,11.28)	15,34.15	(3,37.66)
Charged/(credited):						
- to profit or loss	(1,48.52)	1,04.89		(74.37)	(1,18.00)	77.55
- to other comprehensive income			5,15.36		5,15.36	
As at March 31, 2021	19,40.06	(10,36.29)	13,13.39	(2,85.65)	19,31.51	(2,60.11)
Charged/(credited):						
- to profit or loss	(1,53.96)	(2,34.71)		(2,29.27)	(6,17.94)	(81.52)
- to other comprehensive income			2,36.90		2,36.90	
As at March 31, 2022	17,86.10	(12,71.00)	15,50.29	(5,14.92)	15,50.47	(3,41.63)

23 NON-CURRENT LIABILITIES - OTHER NON-CURRENT LIABILITIES

Deferred Income Liability

March 31, 2022	March 31, 2021
56.05	69.99
56.05	69.99
2,15.34	-
2,15.34	-

24(i) CURRENT FINANCIAL LIABILITIES -BORROWINGS

Current Maturities of long term borrowing

Term Loan from Bank aggregating ₹ 25,00.00 lakhs sanctioned for purchase of capital asset, is secured by way of lien on Fixed Deposit with bank (Refer Note 7) .The loan is repayable in 60 equal monthly installments from the date of first disbursement and carries interest rate of 6.30% p.a. As at March 31, 2022, ₹ 2,15.34 lakhs was disbursed and utilised for stated purpose.

Debt reconciliation:

Proceeds from borrowings
Repayment of borrowings
Interest
Interest paid

March 31, 2022	March 31, 2021
2,15.34	-
-	-
0.08	-
(0.08)	-
2,15.34	-

24 (ia) CURRENT FINANCIAL LIABILITIES -LEASE LIABILITIES

Lease liabilities (Refer Note 45 B)

March 31, 2022	March 31, 2021
4,93.85	5,87.08
4,93.85	5,87.08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

25 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

Total outstanding due to Micro Enterprises and Small Enterprises (Refer Note 25.1)
Total outstanding due to creditors other than Micro Enterprises and Small Enterprises
Total outstanding due to Related Parties (Refer Note 48)

March 31, 2022	March 31, 2021
5,74.73	5,46.45
217,55.95	233,95.51
104,39.35	72,36.79
327,70.03	311,78.75

Ageing of trade payables:

As at March 31, 2022	Outstanding for the following period from the due date of payment:						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro Enterprises and Small Enterprises	-	4,31.57	1,16.26	22.89	3.54	0.47	574.73
(ii) Others	146,48.84	121,23.57	50,41.49	3,09.83	27.42	44.15	321,95.30
(iii) Disputed dues – Micro Enterprises and Small Enterprises	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
	146,48.84	125,55.14	51,57.75	3,32.72	30.96	44.62	327,70.03

As at March 31, 2021	Outstanding for the following period from the due date of payment:						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro Enterprises and Small Enterprises	-	4,30.77	1,11.99	3.69	-	-	5,46.45
(ii) Others	177,67.23	95,71.55	31,32.31	84.77	28.87	47.57	306,32.30
(iii) Disputed dues – Micro Enterprises and Small Enterprises	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
	177,67.23	100,02.32	32,44.30	88.46	28.87	47.57	311,78.75

25.1 Due to Micro and Small Enterprises:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
a) the principal amount remaining unpaid to the supplier at the end of each accounting year;	5,74.73	5,46.45
b) the interest due thereon and remaining unpaid to the supplier at the end of each accounting year;	9.77	8.00
c) the principal amount paid by the buyer during the year to the supplier beyond the appointed day;	6,41.00	4,42.25
d) the amount of interest paid by the buyer during the year in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006);	13.11	13.10
e) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	1.34	0.25
f) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	11.11	8.25
g) Interest paid/payable in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 debited to statement of profit and loss	15.97	13.00
26 CURRENT - OTHER FINANCIAL LIABILITIES		
Trade / Security Deposits	11,06.29	10,30.27
Unclaimed Dividend *	1,53.60	1,36.51
Commission due to directors	1,00.00	87.50
Payable for Discounts to Dealers	22,10.07	23,00.43
Capital Creditors	4,04.70	3,51.87
Employee related payables	23,37.50	17,59.00
	63,12.16	56,65.58
* There is no amount due and outstanding to be credited to the Investor Education and Protection Fund.		
27 CURRENT LIABILITIES - PROVISIONS		
Compensated Absence (Refer Note 27.1)	5,40.34	5,39.02
Gratuity (Refer Note 35.1)	2,80.53	6,31.38
Others (Refer Note 27.2)	18,98.64	10,92.16
	27,19.51	22,62.56
27.1 Details of Provision for Compensated Absence		
Opening Balance - Long Term	24,19.47	22,97.33
Opening Balance - Short Term	5,39.02	10,47.76
Provision made during the year	6,30.24	3,17.00
Utilisation during the year	(3,70.89)	(7,03.60)
Closing Balance - Long Term	26,77.50	24,19.47
Closing Balance - Short Term	5,40.34	5,39.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

27.2 Details of Other Provisions

	March 31, 2022	March 31, 2021
Opening Balance	10,92.16	10,83.18
Provision made during the year	8,61.72	2,94.02
Utilisation during the year	(55.24)	(2,85.04)
Closing Balance	18,98.64	10,92.16

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

28 CURRENT TAX LIABILITIES

	March 31 2022	March 31 2021
Income Tax (Net of advance tax)	14,09.02	6,79.06
	<u>14,09.02</u>	<u>6,79.06</u>

29 OTHER CURRENT LIABILITIES

	March 31 2022	March 31 2021
Statutory Liabilities	23,24.20	19,40.41
Deferred Income Liability	13.57	27.23
Contract Liability-Advance from customer*	20,03.88	12,10.49
	<u>43,41.65</u>	<u>31,78.13</u>

*Includes advance from Related Parties - ₹ 6,04.47 lakhs (March 31, 2021 - ₹ 3,24.46 lakhs)

30 REVENUE FROM OPERATIONS

	March 31 2022	March 31 2021
Sale of products (Refer Note 30.1)	1,861,54.33	1,498,76.33
Service Income (Refer Note 1.3 J(ii))	140,58.39	128,78.29
Other operating revenue	10,63.16	10,36.94
	<u>2,012,75.88</u>	<u>1,637,91.56</u>

30.1 Sale of products

	March 31 2022	March 31 2021
Abrasives	1,129,39.58	922,42.72
Ceramics & Plastics	695,35.93	534,29.52
Others	36,78.82	42,04.09
	<u>1,861,54.33</u>	<u>1,498,76.33</u>

The sales value mentioned above includes sale of trading goods of ₹ 303,15.21 lakhs (March 31, 2021 - ₹ 191,59.05 lakhs)

30.2 Reconciliation of revenue recognised with contract price

	March 31 2022	March 31 2021
Revenue from contracts with customers at Contract Price	2,042,04.09	1,648,37.30
Less : Discounts on Sale of Products	39,91.37	20,82.68
	<u>2,002,12.72</u>	<u>1,627,54.62</u>
Other operating revenue	10,63.16	10,36.94
Revenue from operations	<u>2,012,75.88</u>	<u>1,637,91.56</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31 2022	March 31 2021
31 OTHER INCOME		
Interest income	7,52.36	98.90
Dividend Income	2,85.28	17,10.20
Net gain on financial instruments measured at fair value through profit and loss:		
- Gain on redemption of Mutual Fund	16,10.09	22,93.40
- Changes in fair value	(2,46.32)	(8,87.34)
Interest income from financial assets at amortised cost	6.74	1.09
Unwinding of discount on security deposits	40.73	33.61
Net gain on foreign currency transactions	12,66.36	5,67.86
Profit on sale of fixed assets (net)	3,12.86	-
Other Non-operating income	12,81.24	12,79.16
	53,09.34	50,96.88
32 COST OF MATERIALS CONSUMED		
Opening Stock of		
Raw Materials	149,36.54	87,24.48
Raw Materials in Transit	30,03.58	37,29.70
	179,40.12	124,54.18
Add : Purchases	757,15.65	576,84.88
Less: Closing Stock of		
Raw Materials	210,07.67	149,36.54
Raw Materials in Transit	23,71.76	30,03.58
	233,79.43	179,40.12
	702,76.34	521,98.94
33 PURCHASE OF STOCK IN TRADE		
Abrasives	175,92.76	111,27.65
Ceramics & Plastics	71,76.57	42,46.39
Others	10,85.53	11,55.57
	258,54.86	165,29.61
34 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN -TRADE AND FINISHED GOODS		
Opening stock of		
Finished Goods	34,05.13	54,35.94
Stock in Trade	35,71.94	20,46.36
Work-In-Progress	60,06.63	88,55.03
	129,83.70	163,37.33
Less: Closing stock of		
Finished Goods	65,49.97	34,05.13
Stock in Trade	59,59.80	35,71.94
Work-In-Progress	76,11.02	60,06.63
	201,20.79	129,83.70
	(71,37.09)	33,53.62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
35 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	210,79.57	174,75.67
Share Based Payments	1,56.70	1,76.42
Contribution to provident and other funds and Gratuity (Refer Note 35.1)	15,70.58	14,92.54
Staff welfare	22,62.16	16,32.68
	250,69.01	207,77.31

35.1 Disclosure as required under Ind AS 19 - Employee Benefits

I. Defined Contribution Plans:

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

Employer's Contribution to Provident Fund	8,99.71	8,17.07
Employer's Contribution to Superannuation Fund	70.67	74.75

II. Defined Benefit Plans:

Contribution to Gratuity Fund

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

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2022:

	March 31, 2022	March 31, 2021
i) Change in present value of defined benefit obligation		
Present Value of defined benefit obligation at the beginning of the year	71,74.56	71,30.23
Interest Cost	4,92.18	4,87.71
Current service cost	5,91.77	5,29.00
Liability Transferred in on transfer of employees	-	80.23
Benefits paid	(4,73.69)	(12,54.04)
Remeasurements		
Actuarial changes arising from changes in demographic assumptions	2.90	-
Actuarial changes arising from changes in financial assumptions	(1,49.05)	(9.20)
Actuarial changes arising from experience assumptions	5,97.70	2,10.63
Present Value of defined benefit obligation at the end of the year	82,36.37	71,74.56
ii) Change in fair value of plan assets		
Fair Value of plan assets at the beginning of the year	63,71.94	68,88.92
Interest Income	4,37.12	4,71.20
Contributions paid by the employer	15,02.63	2,41.31
Assets Transferred on transfer of employees	-	80.23
Benefits paid from the fund	(4,73.69)	(12,54.04)
Remeasurements		
Return on plan assets, excluding interest income	1,17.84	(55.68)
Fair Value of plan assets at the end of the year	79,55.84	63,71.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
iii) Net asset / (liability) recognised in the Balance Sheet		
Present Value of defined benefit obligation at the end of the year	(82,36.37)	(71,74.56)
Fair Value of plan assets at the end of the year	79,55.84	63,71.94
Amount recognised in the balance sheet	(2,80.53)	(8,02.62)
Net Asset / (Liability) recognised - current	(2,80.53)	(6,31.38)
Net Asset / (Liability) recognised - non current	-	(1,71.24)
iv) Expense recognised in the statement of profit and loss for the year		
Current service cost	5,91.77	5,29.00
Interest cost on defined benefit obligation	55.06	16.51
Total expenses included in statement of profit and loss	6,46.83	5,45.51
v) Recognised in Other Comprehensive Income for the year		
Actuarial changes arising from changes in financial assumptions	(1,49.05)	(9.20)
Actuarial changes arising from experience assumptions	5,97.70	2,10.63
Actuarial changes arising from changes in demographic assumptions	2.90	-
Actuarial Losses/(Gains) on Obligation for the period	4,51.55	2,01.43
Return on plan assets, excluding interest income	(1,17.84)	55.68
Recognised in other comprehensive income	3,33.71	2,57.11
vi) Actuarial Assumptions		
Expected return on plan assets	7.15%	6.86%
Rate of Discounting	7.15%	6.86%
Rate of Salary Increase	9.00%	9.00%
Rate of Employee Turnover		
	For service period 4 years and below 8.00% p.a.	For service period 4 years and below 8.00% p.a.
	For service period 5 years and above 5.00% p.a.	For service period 5 years and above 5.00% p.a.
	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) (Ultimate)
Mortality Rate During Employment		
vii) Sensitivity Analysis		
Projected Benefit Obligation on Current Assumptions	82,36.37	71,74.56
Delta Effect of +0.5% Change in Rate of Discounting	(2,44.32)	(2,22.45)
Delta Effect of -0.5% Change in Rate of Discounting	2,60.56	2,37.47
Delta Effect of +0.5% Change in Rate of Salary Increase	2,54.79	2,31.56
Delta Effect of -0.5% Change in Rate of Salary Increase	(2,41.37)	(2,19.20)
Delta Effect of +0.5% Change in Rate of Employee Turnover	(32.72)	(33.95)
Delta Effect of -0.5% Change in Rate of Employee Turnover	34.22	35.58
Methodology Adopted for Asset Liability Management (ALM)	Projected Unit Credit Method	Projected Unit Credit Method

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Usefulness and Methodology adopted for Sensitivity analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

viii) Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 8 years (March 31, 2021 - 8 years). The expected maturity analysis of gratuity on undiscounted basis is as follows:

	March 31, 2022	March 31, 2021
Projected Benefits Payable in Future Years From the Date of Reporting,		
1st Following Year	9,86.41	9,52.39
2nd Following Year	11,87.19	9,03.54
3rd Following Year	6,76.56	4,11.88
4th Following Year	7,74.16	5,86.74
5th Following Year	8,94.19	6,20.97
Sum of Years 6 To 10	33,21.9	33,43.36
Sum of Years 11 and above	67,48.96	57,98.33
ix) Major categories of plan assets are as follows:		
Insurer managed funds	79,55.84	63,71.94

x) Risk exposure:

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

xi) Expected contribution

The Company expects to make a contribution of ₹ 7,26.40 lakhs (March 31, 2021: ₹ 6,31.38 lakhs) to the defined benefit plans during the next financial year.

36 FINANCE COSTS

	March 31, 2022	March 31, 2021
Interest Expense	2,18.99	1,38.16
Interest Cost on defined benefit obligation (net)	55.06	16.51
Interest Expense on Lease Liabilities	1,37.97	1,87.14
	4,12.02	3,41.81

37 DEPRECIATION AND AMORTISATION EXPENSE

	March 31, 2022	March 31, 2021
Depreciation of Property, Plant and Equipment	44,21.69	44,87.10
Depreciation of Right-of-use assets	6,95.54	8,94.04
Amortisation of Intangible Assets	2,29.48	54.40
	53,46.71	54,35.54

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
38 OTHER EXPENSES		
Consumption of Stores and Spares	38,84.99	32,99.07
Processing charges	31,75.18	30,99.68
Power & Fuel	85,15.44	67,54.53
Freight and packing expenses	112,20.74	96,01.67
Rent /Lease payment	10,51.87	8,04.71
Repairs & Maintenance		
Building	3,16.23	51.79
Machinery	6,23.46	3,62.53
Others	2,17.63	1,57.67
	<u>11,57.32</u>	<u>5,71.99</u>
Insurance	3,23.67	1,50.94
Rates and Taxes	4,57.16	1,91.25
Travelling & Conveyance	9,67.15	3,56.05
Commission	5,22.65	4,70.39
Royalties	34,95.17	29,22.56
Loss on assets discarded /sold (net)	-	18.97
External Service charges	64,44.75	54,55.92
Provision for Doubtful Debts & Advances	2.52	51.21
Miscellaneous expenses (Refer Note 38.1 & 38.2)	58,57.69	47,75.71
	<u>470,76.30</u>	<u>385,24.65</u>

	March 31, 2022	March 31, 2021
38.1 Miscellaneous expenses include :		
Amounts paid to Auditors :		
(i) Audit Fees	43.14	44.85
(i) Tax Audit	2.50	2.00
(iii) Certification	0.75	0.75
(iv) Reimbursement of expenses	0.18	0.55
	<u>46.57</u>	<u>48.15</u>

38.2 Corporate social responsibility expenditure

The Company CSR activities include promotion of education, rehabilitation, skill development training, Infra support for Historical Art & culture and support to people affected by Pandemic.

	March 31, 2022	March 31, 2021
(i) Gross amount required to be spent by the Company during the year	5,07.00	4,59.61
(ii) Actual amount spent/(paid) during the year towards other than ongoing projects	5,10.49	4,89.49
(iii) The amount of shortfall at the end of the year	-	-
(iv) Details of related party transfer - Contribution to Saint-Gobain India Foundation (Refer Note no 48)	4,47.53	4,76.39

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
39 TAX EXPENSE		
(a) Income Tax Expense		
Current tax		
Current tax on profits for the year	107,80.38	79,86.55
Total current tax expense	107,80.38	79,86.55
Deferred tax		
Decrease / (increase) in deferred tax assets	(5,45.50)	1,08.07
(Decrease) / increase in deferred tax liabilities	(1,53.96)	(1,48.52)
Total deferred tax expense/(benefit)	(6,99.46)	(40.45)
Income tax expense	100,80.92	79,46.10
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	395,88.58	317,20.31
Tax at the Indian tax rate of 25.17 % (2020-2021 – 25.17%)	99,64.45	79,84.00
<u>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</u>		
Corporate social responsibility expenditure	1,28.49	1,20.62
Interest income from interest free bond exempt under section 10(34) of Income Tax Act	(1.25)	(1.53)
Other items	48.48	22.52
Deduction under section 80M of Income Tax Act on Dividend income	(71.74)	(4,30.41)
Difference in overseas tax rates	12.49	2,50.90
Income tax expense	100,80.92	79,46.10
40 EARNINGS PER SHARE		
(a) Basic earnings per share		
Basic earnings per share attributable to the equity shares holders of the Company (₹)	26.70	21.60
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity shares holders of the Company (₹)	26.70	21.60
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share (₹)	26.70	21.60
Profit attributable to equity holders of the company used in calculating basic earnings per share	295,64.54	239,18.26
Diluted earnings per share (₹)	26.70	21.60
Profit attributable to equity holders of the company used in calculating diluted earnings per share	295,64.54	239,18.26
(d) Weighted average number of equity shares used as the denominator in calculating Basic earnings per share	11,07,20,000	11,07,20,000
Adjustments for calculation of diluted earnings per share:	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	11,07,20,000	11,07,20,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

41 FAIR VALUE MEASUREMENTS

Financial instruments by category

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022		March 31, 2021		Amortised cost
	FVTPL	FVOCI	FVTPL	FVOCI	
Financial assets					
Investments					
- Equity instruments	-	190,09.17	-	173,62.17	-
- Mutual funds	330,25.39	-	527,79.31	-	-
- Government Securities	-	-	-	-	74.17
Trade receivables	-	-	-	-	201,84.19
Loan to employees	-	-	-	-	1,09.97
Cash and Bank Balances	-	-	-	-	130,06.93
Security deposits	-	-	-	-	9,15.87
Employee Advances	-	-	-	-	1,70.37
Foreign-Exchange Forward Contracts	4,89.33	-	4,22.97	-	-
Other receivables (Unsecured)	-	-	-	-	7,83.44
Total Financial Assets	335,14.72	190,09.17	532,02.28	173,62.17	352,44.94
Financial liabilities					
Trade / Security Deposits	-	-	-	-	10,30.27
Unclaimed Dividend	-	-	-	-	1,36.51
Trade payables	-	-	-	-	311,78.75
Capital creditors	-	-	-	-	3,51.87
Other financial liabilities	-	-	-	-	41,46.93
Borrowings	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	368,44.33

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

Financial assets and liabilities measured at fair value - recurring fair value measurements *(All amounts in ₹ lakhs, unless otherwise stated)*

As at March 31, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL:					
Mutual Funds	11	330,25.39	-	-	330,25.39
Financial Investments at FVOCI:					
Unquoted Equity Investments	5	-	-	190,09.17	190,09.17
Derivatives not designated as hedges:					
Foreign-Exchange Forward Contracts	16	-	4,89.33	-	4,89.33
Total Financial Assets		330,25.39	4,89.33	190,09.17	525,23.89
Total Financial Liabilities		-	-	-	-

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

As at March 31, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Loans					
Loans to employees	6,15	-	-	4,05.49	4,05.49
Other Financials Asset					
Security deposits	7,16	-	-	9,36.00	9,36.00
Bank deposits	7	25,50.25	-	-	25,50.25
Total Financial Assets		2,550.25	-	1,341.49	3,891.74
Total Financial Liabilities		-	-	-	-

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

As at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL:					
Mutual Funds	5, 11	527,79.31	-	-	527,79.31
Financial Investments at FVOCI:					
Unquoted Equity Investments	5	-	-	173,62.17	173,62.17
Derivatives not designated as hedges:					
Foreign-Exchange Forward Contracts	16	-	4,22.97	-	4,22.97
Total Financial Assets		527,79.31	4,22.97	173,62.17	705,64.45
Total Financial Liabilities		-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

GROW & IMPACT

NORTON GRINDWELL NORTON LTD.

Assets and Liabilities which are measured at amortised cost for which fair values are disclosed
(All amounts in ₹ lakhs, unless otherwise stated)

As at 31 March 2021	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Government securities	5	79.62	-	-	79.62
Loans					
Loans to employees	6, 15	-	-	1,09.15	1,09.15
Other Financials Asset					
Security deposits	7, 16	-	-	8,35.56	8,35.56
Bank deposits	7	13.38	-	-	13.38
Total Financial Assets		93.00	-	9,44.71	10,37.71
Total Financial Liabilities		-	-	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments or published NAV by fund house
- the fair value of forward foreign exchange contracts is determined using forward exchange rate at the balance sheet date
- the fair value of employee stock option plans are determined using Black and Scholes valuation model
- the fair value of certain financial instruments is determined using discounted cash flow analysis.
- the fair value of one equity instrument is based on Net Asset Value Method

All of the resulting fair value estimates are included in level 1 or 2 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counter party or own credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table represents the changes in level 3 items for the period ended March 31, 2022 & March 31, 2021.

Unquoted Equity Shares

As on March 31, 2020	139,00.17
Acquisitions	7,95.00
Gain recognised in other comprehensive income	26,67.00
As on March 31, 2021	173,62.17
Acquisitions	-
Gain recognised in other comprehensive income	16,47.00
As on March 31, 2022	190,09.17

(iv) Valuation inputs and relationships to fair value

Particulars	Fair value as at		Significant Unobservable Inputs	Probable - weighted range		Sensitivity
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021	
Unquoted equity shares : Saint-Gobain India Pvt. Ltd. (SGIPL)	176,92.00	144,98.00	<p>Long term growth rate for cash flows for subsequent years</p> <p>Weighted Average Cost of Capital (WACC)</p>	<p>4% - 6% (5%)</p> <p>13.6% - 15.6% (14.6%)</p>	<p>4% - 6% (5%)</p> <p>12.8% - 14.8% (13.8%)</p>	<p>1% increase in the long-term growth rate would result in increase in stake value to ₹ 192,13.00 lakhs (March 31, 2021 ₹ 158,04.00 lakhs).</p> <p>1% decrease in the long-term growth rate would result in decrease in stake value to ₹ 164,58.00 lakhs (March 31, 2021 ₹ 134,57.00 lakhs).</p> <p>1% increase in the WACC would result in decrease in stake value to ₹ 160,27.00 lakhs (March 31, 2021 ₹ 131,21.00 lakhs).</p> <p>1% decrease in the WACC would result in increase in stake value to ₹ 197,67.00 lakhs (March 31, 2021 ₹ 162,32.00 lakhs).</p>

Particulars	Fair value as at		Significant Unobservable Inputs	Probable - weighted range		Sensitivity
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021	
Unquoted equity shares : Andhra Pradesh Gas Power Corporation Ltd. (APCPCL)	13,15.00	-	Equity specific information - Net Asset Value	NA	NA	<p>10% increase in the Net Asset would result in increase in stake value to ₹ 14,59.00 lakhs.</p> <p>10% decrease in the Net Asset would result in decrease in stake value to ₹ 11,94.00 lakhs.</p>
	-	28,62.00	Discount Rate	NA	12.7% - 14.7% (13.7%)	<p>1% increase in the discount rate would result in decrease in stake value to ₹ 28,06.00 lakhs.</p> <p>1% decrease in the discount rate would result in increase in stake value to ₹ 29,19.00 lakhs.</p>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(v) Valuation processes

The Group has outsourced the valuation process of unquoted equity instruments for financial reporting purposes.

The main level 3 inputs for unlisted equity securities used by the Group are derived and evaluated as follows:

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

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

For valuation of Andhra Pradesh Gas Power Corporation Ltd. Net Asset Value method is used.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the yearly valuation discussion between the Chief Financial Officer (CFO), Audit Committee (AC) and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

(vi) Fair value of financial assets and liabilities measured at amortised cost

	March 31, 2022		March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments				
Government securities	-	-	74.17	79.62
Loans				
Loans to employees	4,57.41	4,05.49	1,09.97	1,09.15
Security deposits	10,16.74	9,36.00	9,15.87	8,35.56
Bank deposits	25,50.25	25,50.25	13.38	13.38
Total financial assets	40,24.40	38,91.74	11,13.39	1037.71

The carrying amounts of trade receivables, electricity deposit, employee advances, cash and cash equivalents and other short term receivables, trade payables, unclaimed dividend, borrowings, capital creditors and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans and security deposits were calculated based on cash flows discounted using the current lending rate. They are classified as level 3 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are not observable.

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

42 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

The Group's risk management is carried out by a central Treasury department under policies approved by the Board of Directors. The Treasury department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(A) Credit risk

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from outstanding receivables from free market dealers, cash and cash equivalents, investments, employee advances, security deposits and investments. The Group manages and analyses the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered.

Credit risk on cash and cash equivalents and investment is limited as Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units.

(i) Credit risk management

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognised from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

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

The Group has evaluated percentage of allowance for doubtful debts with our trade receivables over the years:

Particulars	March 31, 2022	March 31, 2021
Trade Receivables	243,64.65	208,59.75
Loss Allowance	6,78.08	6,75.56
Percentage	2.78%	3.24%

(ii) Reconciliation of Allowance – Trade receivables

Loss allowance on March 31, 2020	6,24.35
Changes in allowance	51.21
Loss allowance on March 31, 2021	6,75.56
Changes in allowance	2.52
Loss allowance on March 31, 2022	6,78.08

(B) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The group ensures sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, the Treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below), cash and cash equivalents and investments on the basis of expected cash flows.

(i) Financing arrangements

The Group had access to the following undrawn unsecured borrowing facilities at the end of the reporting period:

Particulars	March 31, 2022	March 31, 2021
Floating rate		
- Expiring beyond one year (bank loans and overdrafts)	51,62.98	73,56.87

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
March 31, 2022				
Non-derivatives				
Borrowing	2,15.34	-	-	2,15.34
Lease liabilities	6,03.66	3,68.75	5,72.14	15,44.55
Trade payables	327,70.03	-	-	327,70.03
Other financial liabilities	63,12.16	-	-	63,12.16
Total non-derivative liabilities	399,01.19	3,68.75	5,72.14	408,42.08
March 31, 2021				
Non-derivatives				
Lease liabilities	6,90.54	3,59.20	3,54.02	14,03.76
Trade payables	311,78.75	-	-	311,78.75
Other financial liabilities	56,65.58	-	-	56,65.58
Total non-derivative liabilities	375,34.87	3,59.20	3,54.02	382,48.09

(C) Market risk

(i) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency sales and purchases, primarily with respect to EUR and USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows.

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

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

	Currency	March 31, 2022	March 31, 2021
Trade Receivables	USD	28,91.64	36,84.62
	EUR	41,72.36	23,83.18
	Others	2,70.66	59.96

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Currency	March 31, 2022	March 31, 2021
Trade Payable	USD	18,91.57	18,70.92
	EUR	16,72.89	18,09.13
	CNY	6,82.71	8,33.18
	Others	84.15	1,37.74

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

	Currency	March 31, 2022	March 31, 2021
Forward Contracts (Sell)	USD	109,66.94	59,38.26
	EUR	134,49.29	120,85.45
	Others	2,27.00	1,08.67

	Currency	March 31, 2022	March 31, 2021
Forward Contracts (Buy)	USD	45,36.84	55,34.85
	EUR	61,30.42	41,39.92
	CNY	24,23.18	49,27.26
	Others	6,07.95	5,28.42

43 CAPITAL MANAGEMENT

(a) Risk management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Currently, there are limited borrowings and operations are being funded through internal accruals.

(b) Dividends

(i) Dividend paid during the year

Dividend paid during the year ₹ 9.50/- per fully paid up share (March 31, 2021 - ₹ 7.50/- per fully paid up share)

March 31, 2022	March 31, 2021
105,18.40	83,04.00

(ii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a dividend of ₹12/- per fully paid equity share (March 31, 2021 – ₹ 9.50/-). This proposed dividend is subject to the approval of shareholders at the ensuing annual general meeting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

44 CONTINGENT LIABILITIES

Contingent Liabilities

	March 31, 2022	March 31, 2021
(a) Excise, Service Tax & Custom Duty demands pending with the appropriate authorities and disputed by the Parent Company	5,27.74	6,48.98
(b) Sales Tax demands pending with the authorities and disputed by the Parent Company	38.33	80.56
(c) Claims against the Parent Company under the Labour Laws disputed by the Parent Company	3,55.75	3,04.27
(d) Guarantees given by Banks, as counter guaranteed by the Company	5,38.63	5,06.20
(e) Non-Agricultural Land Cess	37.79	37.79
(f) Other Claims against the Parent Company not acknowledged as debts	1,21.81	1,21.81
(g) Demand raised by Southern Power Distribution Company of Andhra Pradesh Ltd (SPDCL) disputed by the company and subjudice in High court/Supreme court *	46,50.53	13,37.04
(h) Income tax liability on account of disputed disallowances	88.32	88.32
(i) Good and Service Tax liability for Credit of duty paid on goods and services	8.09	8.09

*The invoice of SPDCL towards power charges reflect a demand of ₹ 129,30.00 lakhs as at March 31, 2022 towards disputed matters which is not acknowledged as debt by the Company. The Company after considering the legal opinion, has determined the amount relating to ongoing disputes and disclosed the same in (g) above.

45 A COMMITMENTS

Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Property, Plant and Equipment

	March 31, 2022	March 31, 2021
	13,62.10	18,56.43

45 B Disclosures as required under Ind AS 116

As a Lessee

(a) Amounts recognised in balance sheet	March 31, 2022	March 31, 2021
Right-of-use asset (Refer Note 3A)	12,62.36	12,07.92
Opening Lease Liabilities	12,14.84	22,36.13
Addition during year	7,52.56	-
Interest cost accrued during the year	1,37.97	1,87.14
Payment of lease liabilities	(8,11.37)	(10,44.69)
Reversal/Adjustment of lease liabilities	-	(1,63.74)
Closing Lease Liabilities	12,94.00	12,14.84
Current Lease Liabilities	4,93.85	5,87.08
Non-current Lease Liabilities	8,00.15	6,27.76
Total Lease Liabilities	12,94.00	12,14.84
(b) Amount recognized in the Statement of Profit and Loss	March 31, 2022	March 31, 2021
Depreciation for the year	6,95.54	8,94.04
Interest cost accrued during the year	1,37.97	1,87.14
Expenses related to short term leases	10,51.87	8,04.71
Total	18,85.38	18,85.89
(c) Total Cash outflows from leases during the year	18,63.24	18,49.40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

46 Segment information

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

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

(a) Description of segments and principal activities

The Group is organised into the following business segments, namely :

- (a) Abrasives
- (b) Ceramics & Plastics
- (c) IT Services
- (d) Others

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

(b) Segments results

- (a) Abrasives
- (b) Ceramics & Plastics
- (c) IT Services
- (d) Others

Reconciliation of Segment results to Profit before Income Tax is as follows:

Total segment result

Finance costs

Interest income from investments

Unallocated other Income

Profit before income tax

	March 31, 2022	March 31, 2021
	155,61.07	111,97.12
	173,11.87	129,77.08
	38,54.21	36,65.94
	8,18.10	8,89.85
	375,45.25	287,29.99
	375,45.24	287,29.99
	(4,12.02)	(3,41.81)
	7,99.83	1,33.60
	16,55.53	31,98.53
	395,88.58	317,20.31

(c) Segment revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The segment revenue is measured in the same way as in the statement of profit or loss.

	March 31, 2022			March 31, 2021		
	Total segment revenue	Inter-segment revenue	Revenue from external customers	Total segment revenue	Inter-segment revenue	Revenue from external customers
(a) Abrasives	1,135,61.45	-	1,135,61.45	932,83.40	-	932,83.40
(b) Ceramics & Plastics	718,65.94	17,42.04	701,23.90	551,03.33	12,31.96	538,71.37
(c) IT Services	136,16.58	-	136,16.58	126,07.49	-	126,07.49
(d) Others	39,73.95	-	39,73.95	40,29.30	-	40,29.30
Total segment revenue	2,030,17.92	17,42.04	2,012,75.88	1,650,23.52	12,31.96	1,637,91.56

There is no single customer or a group with more than 10% share in revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(d) Segment assets

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

	March 31, 2022	March 31, 2021
(a) Abrasives	713,21.66	578,33.87
(b) Ceramics & Plastics	457,07.84	338,38.53
(c) IT Services	42,40.23	45,32.09
(d) Others	19,66.09	14,37.27
Total segment assets	1,232,35.82	976,41.76
<u>Unallocated:</u>		
Investment and bank balances	834,21.81	843,30.29
Others	46,90.34	44,94.98
Total assets as per the balance sheet	2,113,47.97	1,864,67.03

Investments held by the Group are not considered to be segment assets, but are managed by the treasury function.

(e) Segment liabilities

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

	March 31, 2022	March 31, 2021
(a) Abrasives	238,56.51	241,21.43
(b) Ceramics & Plastics	186,85.36	121,87.46
(c) IT Services	21,30.81	16,68.71
(d) Others	13,59.00	7,23.89
Total segment liabilities	460,31.68	387,01.49
<u>Unallocated:</u>		
Deferred tax liabilities	15,50.47	19,31.51
Current tax liabilities	14,09.02	6,79.06
Lease Liabilities	12,94.00	12,14.84
Others	30,60.56	62,44.23
Total liabilities as per the balance sheet	533,45.73	487,71.13

(f) Information about Geographical Segments

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

	March 31, 2022	March 31, 2021
Net Sales & Service Income		
India	1,674,36.76	1,322,79.16
Outside India	338,39.12	315,12.40
	2,012,75.88	1,637,91.56

(ii) Total of non-current asset other than financial instruments, investment and deferred tax assets, broken down by location of the asset, is shown below:

	March 31, 2022	March 31, 2021
Non-Current Asset		
India	470,54.34	391,18.11
Outside India	19,26.74	22,15.34
	489,81.08	413,33.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

47 SHARE BASED PAYMENTS

(a) Performance Share Plan

Certain employees of the Parent Company in India are allotted Performance shares of the Ultimate Holding Company. These plans are subject to eligibility criteria based on the employee's period of service (service conditions) with the Group as well as performance criteria (performance conditions). The Ultimate Holding Company does not charge any cost for this benefit, the cost of this benefit has been arrived at using Black and Scholes method.

Summary of Share options granted under plan:

	March 31, 2022	March 31, 2021
	Number of options	Number of options
Opening balance	34,370	38,580
Granted during the year	5,575	5,950
Exercised during the year	(8,027)	(6,018)
Forfeited during the year	(2,313)	(4,142)
	29,605	34,370

(b) Expense arising from share based payment transaction

	March 31, 2022	March 31, 2021
Performance Share Plan	1,56.70	1,76.42
	1,56.70	1,76.42

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

Relationships:

(i) HOLDING COMPANY :

Compagnie De Saint-Gobain, France

(ii) FELLOW SUBSIDIARIES:

Certaineed Corporation, USA	Saint Gobain America, S.A. De C.V., Mexico
Saint-Gobain Services Construction Products Gmbh, Germany	Saint-Gobain Building Distribution Deutschland Gmbh, Germany
L.M.Van Moppes Diamond Tools India Pvt. Ltd., India	Saint-Gobain Ceramic Materials (Zhengzhou) Co. Ltd, China
Saint-Gobain Abrasives Brownsville	Saint-Gobain Colombia SAS, Colombia
Pt. Saint-Gobain Abrasives Diamas, Indonesia	Saint-Gobain Diamantwerkzeuge Gmbh, Germany
Saint-Gobain Performance Plastics Corporation, USA	Saint-Gobain Distribution Bâtiment France S.A.S., France
Saint-Gobain Ceramics & Plastics, Inc, USA	Saint-Gobain Distribution Denmark, Denmark
Saint-Gobain Abrasives (Suzhou) Co., Ltd, China	Saint-Gobain Do Brasil Produtos Industriais E Para Construção Ltda, Brazil
Saint-Gobain Abrasives BV, Netherlands	Saint-Gobain Glass Egypte S.A.E., Egypt
Saint-Gobain Abrasives Gmbh, Germany	Saint-Gobain HPM Polska sp.z o.o, Poland
Saint-Gobain Achats, France	Saint-Gobain Industrial Ceramics Pty Ltd, Australia
Saint-Gobain Adfors, France	SG Industrial Ceramics Ltd, UK
Saint-Gobain Building Distribution-UK	Saint-Gobain Industriekeramik Rodental Gmbh, Germany
SG Ceramic Materials AS, Norway	Saint-Gobain K.K., Japan

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Saint-Gobain Corporation, France	Saint-Gobain Materiales Ceramicos, Venezuela
Saint-Gobain Dsi Groupe, France	Saint-Gobain Materiaux Ceramiques, France
Saint-Gobain Glass, France	Saint-Gobain Nordic A/S, Denmark
Saint-Gobain India Private Limited, India	Saint-Gobain Pipes, France
Saint-Gobain Innovative Materials Belgium, Belgium	Saint-Gobain Performance Plastics (Shanghai) Co Ltd, China
Saint-Gobain Solar Gard, LLC, USA	Saint-Gobain Sekurit India Ltd, India
Saint-Gobain Norpro, USA	Saint-Gobain Sekurit (Thailand) Co Lt, Thailand
Saint-Gobain International Digital-IT Services, France	H.K.O. Isolier-Und Textiltechnik Gmbh, Germany
Saint-Gobain Glass Deutschland Gmbh, Germany	Saint-Gobain Proppants (Guanghan) Co., Ltd
Saint-Gobain (sea) Pte. Ltd., Philippines	Saint-Gobain Inovatif Malzemeler Ve Asindirici Sanayi Ticaret Anonim Sirketi, Turkey
Saint-Gobain Abrasifs, UAE	Saint-Gobain Technical Fabrics, S.A. De, Mexico
Saint-Gobain Abrasifs S.A. (Maroc), Morocco	Saint-Gobain Vietnam Ltd., Vietnam
Saint-Gobain Abrasifs, France	Savoie Refractaires, France
Saint-Gobain Abrasives Limited, New Zealand	Societe Europeenne Des Produits Refractaires - S.E.P.R., France
Saint-Gobain Abrasives (Pty.) Ltd., South Africa	Saint-Gobain Consulting Information and Organisation, France
Saint-Gobain Abrasives (Thailand) Ltd., Thailand	Saint-Gobain Distribuição Brasil Ltda, Brazil
Saint-Gobain Abrasives Ltd, UK	Saint-Gobain Info Sys Gmbh, Germany
Saint-Gobain Abrasives Limited, England	Saint-Gobain Isover, France
ST-Gobain Abrasives Pty. Ltd., Australia	Saint-Gobain Materiaux Ceramiques, Belgium
Saint-Gobain Abrasives S.A., Luxembourg	Saint-Gobain Performance Plastics Corby, UK
Saint-Gobain Abrasives (Shanghai) Co Ltd, China	Saint-Gobain Performance Plastics Korea Co Ltd, Korea
Saint-Gobain Abrasives, Inc., USA	Saint-Gobain Performance Plastics Pampus Gmbh, Germany
Saint-Gobain Abrasivi SPA, Italy	Saint-Gobain Performance Plastics Ireland, Ireland
Saint-Gobain Abrasivos LDA. - (Portugal), Portugal	Saint-Gobain Performance Plastics Rencol Limited, UK
Saint-Gobain Abrasivos S.A.(ESPAÑA), Spain	Saint-Gobain Technology Services, France
Saint-Gobain Advanced Ceramics(Shanghai) Co Ltd, China	Thai Gypsum Products PCI, Thailand
Saint-Gobain Gyproc Emirates Industries LLC, UAE	Saint-Gobain Centre De Recherche Et D'Etudes Europeen, France
Saint-Gobain Adfors Cz S.R.O., Czech Republic	Saint-Gobain Abrasivos Limitada, Chile
Saint-Gobain Solar Gard Australia Pty. Ltd.	Saint-Gobain Distribution The Netherlands BV, Netherlands
Saint-Gobain Advanced Materials (Taiwan) Co Ltd	Saint-Gobain Adfors America, Inc, USA
Saint-Gobain Rigips Alci Sanayi Ve Ticaret Anonim Sirketi, Turkey	Saint-Gobain Adfors Austria Gmbh, Austria
Sanitas Troesch Ag, Switzerland	Toyoda Van Moppes Ltd
Saint-Gobain Performance Plastics Mg Silikon Gmbh, Germany	Saint-Gobain Performance Plastics L+S Gmbh, Germany
Compania Industrial El Volcan S.A	Saint Gobain Distribución Construcción, S.L.
Xuancheng Huiken Import and Export Co. Ltd	Hangzhou Join Leader New Materials Co, Ltd
Joinleader (Hk) New Materials Co.Limited	Brodrene Dahl As Norway
Saint-Gobain Construction Products South Africa (Pty) Ltd	Saint-Gobain Performance Plastics España S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Saint-Gobain Glass Qingdao Co., Ltd.	Industrias Del Cuarzo S.A.
Saint-Gobain Gyproc Middle East FZE	Saint-Gobain Ceramics INC
Saint-Gobain Hycomp LLC	Saint Gobain PCR
Saint-Gobain Performance Plastics Tygaflor Ltd	Saint Gobain Abrasives, Dubai
Saint-Gobain Placo	Saint Gobain Abrasives, Reynosa
Saint-Gobain Performance Plastics France	Saint-Gobain Semiconductor Components
Saint-Gobain Niagra Falls, USA	Saint-Gobain Adfors España S.A
Saint-Gobain Construction Products Rus LLC	Saint-Gobain Malaysia SDN BHD
Saint-Gobain Glass UK Limited	Saint-Gobain Industries India Pvt Ltd.
Saint-Gobain Life Sciences - Beaver	Saint-Gobain Advanced Ceramics, LLC
Saint-Gobain Glass (United Kingdom)	Saint-Gobain Abrasifs (Deplanque)
SG Abrasivi DC Vercelli	
Saint-Gobain Performance Plastics Portag	

(iii) OTHER RELATED PARTIES :

Grindwell Norton Employees Gratuity Trust
Grindwell Norton Employees Superannuation Trust
Saint Gobain India Foundation

(iv) JOINT VENTURE:

SG Shinagawa Refractories India Private Limited

(v) ASSOCIATE:

Cleanwin Energy Three LLP

(vi) KEY MANAGEMENT PERSONNEL

Mr. Keki Elavia, Independent Director
Dr. Archana Hingorani, Independent Director
Mr. Anand Mahajan, Non-Executive Director
Mr. Mikhail Narang, Non-Executive Director (upto May 20, 2020)
Mr. Subodh Nadkarni, Independent Director
Mr. Krishna Prasad, Alternate Director (upto January 01, 2022), whole time Director (w.e.f. February 03, 2022)
Mr. B. Santhanam, Managing Director
Mr. Sreedhar Natarajan, Non- Executive Director
Mr. Laurent Tellier, Non- Executive Director
Mr. Laurent Guillot, Non- Executive Director (upto August 05, 2021)
Mrs Isabelle Hoepfner, Non- Executive Director (upto January 01, 2022)
Mr. David Eric Molho, Non- Executive Director (w.e.f. October 12, 2021)

(vii) (a) Parent entities

The Group is controlled by following entity:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Name of entity	Type	Place of business	Ownership interest held by the Group	
			March 31, 2022	March 31, 2021
Compagnie de Saint-Gobain	Ultimate Holding Co*	Tour Saint-Gobain - 12 place de l'Iris, 92096 La Défense Cedex, France	51.60%	51.60%
* The Ultimate Holding Company ("Saint-Gobain") holds shares in the Company through the following subsidiaries				
Saint-Gobain Abrasives Inc	Fellow Subsidiary	1 New Bond Street, P.O Box 15008 Worcester MA 01615 USA	26.77%	26.77%
Societe de Participations Financieres et Industrielles	Fellow Subsidiary	Tour Saint-Gobain - 12 place de l'Iris, 92096 La Défense Cedex, France	24.56%	24.56%
Saint-Gobain India Pvt Ltd	Fellow Subsidiary	Sigapi Aachi Building, Floor No 7, 18/3 Rukmani Lakshmi pathi Road, Egmore Chennai TN India 600008	0.27%	0.27%

(b) Joint Venture

Name of entity	Type	Place of business	Ownership interest held by the Group	
			March 31, 2022	March 31, 2021
SG Shinagawa Refractories India Private Limited	Joint Venture	No-1609, 16th Floor, Shapath-V, Opp Karnawati Club, Sarkhej Gandhinagar, HIGHWAY, AHMEDABAD, Ahmedabad, Gujarat, India, 380015	49.00%	49.00%

(c) Associate

Name of entity	Type	Place of business	Ownership interest held by the Group	
			March 31, 2022	March 31, 2021
Cleanwin Energy Three LLP	Associate	1, Floor-G ,plot no 68,shirin manzil, Nathalal parikh marg, colaba, Mumbai - 400005	27.27%	-

There are no transaction with associate during the year

(d) (i) Key Management Personnel Compensation

	March 31, 2022	March 31, 2021
Short-term employee benefits [^]	5,11.90	4,05.21
Post-employment benefits*	22.76	22.27
Sitting Fees	19.30	21.30
Commission	1,00.00	87.50

*Includes estimated amount of gratuity considering amount funded with LIC and does not include provision for leave encashment as separate actuarial valuation is not available.

[^]It includes the remuneration of Mr. B. Santhanam, Managing Director, effective from April 1, 2020 and Mr. Krishna Prasad, Alternate Director Effective from May 20, 2020. upto January 01, 2022, whole time Director w.e.f. February 03, 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) During the previous year, leave encashment of ₹ 4,54.60 lakhs and Gratuity of ₹ 6,90.31 lakhs was paid to the Managing Director (who retired on April 1, 2020) out of the provision made in earlier years.

(e) Transactions with related parties

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

Sr. No.	Particulars	Holding Company		Fellow Subsidiaries		Other Related Parties		Joint Venture	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1	Sales	-	-	170,79.65	110,85.07	-	-	5,72.39	-
2	Agency Commission received	-	-	2,45.53	2,04.15	-	-	26.84	-
3	Service Income	1,90.67	2,96.66	134,51.05	125,28.49	-	-	5.00	45.00
4	Other Income	-	-	8,12.51	10,04.89	-	-	-	-
5	Dividend Income	-	-	2,85.01	17,10.04	-	-	-	-
6	Expenses incurred on behalf of group companies	2.69	14.29	33,98.92	28,15.16	-	-	29.05	48.16
7	Expenses charged by other companies	8.69	87.21	32,04.93	29,55.11	-	-	-	-
8	Purchase of Goods	-	-	245,90.00	160,13.26	-	-	-	-
9	Royalty Paid	-	-	34,95.17	29,22.56	-	-	-	-
10	Dividend Paid	-	-	54,27.16	42,84.60	-	-	-	-
11	Donation Paid	-	-	4,47.53	4,76.39	-	-	-	-
12	Contribution to Post employment benefit plans	-	-	-	-	15,73.30	3,16.06	-	-
13	Trade Receivables*	16.14	37.55	68,39.49	51,78.67	-	-	1,16.62	28.14
14	Other Receivables*	-	0.91	5,25.15	6,49.15	-	-	-	3.18
15	Advances to Suppliers*	-	0.66	1,13.66	1,49.69	-	-	-	-
16	Trade Payables*	-	-	104,39.35	72,36.79	-	-	-	-
17	Advance from Customers*	-	-	6,04.47	3,19.31	-	-	-	5.15

* Closing Balance

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

(f) Loans to/from related parties

Particulars	March 31, 2022	March 31, 2021
Loans to key management personnel (at amortised cost)		
Beginning of the year	-	2,14.38
Loan repayments received	-	(2,14.38)
End of the year	-	-

(g) Rent paid to key management personnel ₹ 2.76 lakhs (March 31, 2021 - ₹ 2.76 lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(h) Terms and conditions

- (i) Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.
- (ii) The terms and conditions of the loans to Key Managerial Personnel were as per the policy of the Parent Company.
- (iii) All other transactions were made on normal commercial terms and conditions and at market rates.
- (iv) All outstanding balances are unsecured and are repayable in cash.

(i) Related parties with whom significant transactions were undertaken and included in figures reported in Note No. 48 (viii) (e) is as under

Sr. No.	Nature of Transactions	Name of the Company	March 31, 2022	March 31, 2021
1	Sale of Goods	Saint-Gobain Performance Plastics Corporation	47,17.08	32,18.93
		Saint-Gobain Performance Plastics (Shanghai) Co Ltd	2,035.89	184.54
2	Service Income	Saint-Gobain International Digital-It Services	61,80.84	55,97.91
		Saint Gobain DSI Groupe, France	30,35.44	29,85.62
3	Purchase of Goods	Saint-Gobain Performance Plastics France	35,54.76	18,80.66
		Saint-Gobain Do Brasil Produtos Industriais E Para Construção Ltda, Brazil	31,71.12	12,32.72
		Saint-Gobain Performance Plastics Corporation	28,11.78	26,16.76
4	Royalty Paid	Saint-Gobain Abrasives Inc., USA	24,60.04	21,19.01
5	Expenses incurred on behalf of group companies	Saint-Gobain India Private Limited, India	32,69.17	25,66.00
6	Dividend Paid	Saint-Gobain Abrasives Inc., USA	23,93.07	22,22.66
		Societe de Participations Financieres et Industrielles	23,24.96	20,39.44

49 Interest in other entities

(a) Subsidiary

The details of Company's Subsidiary as at March 31, 2022 is set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also the principal place of business.

Name of the Entity	Place of Business / Country of Incorporation	Ownership interest held by the Company		Ownership interest held by the Non-Controlling Interests		Principal Activities
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
Saint-Gobain Ceramic Materials Bhutan Pvt Ltd.	Bhutan	70%	70%	30%	30%	Manufacturing of Silicon Carbide

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for the subsidiary that has non-controlling interests. The amounts disclosed for the subsidiary are before inter Company eliminations.

Summarised Balance Sheet

	March 31, 2022	March 31, 2021
Current Assets	31,16.37	26,76.74
Current Liabilities	14,99.05	9,67.40
Net Current Assets	16,17.32	17,09.34
Non-current assets	23,72.49	24,95.34
Non-current liabilities	1,35.56	1,60.83
Net Non-current Assets	22,36.94	23,34.51
Net Assets	38,54.26	40,43.85
Accumulated NCI	11,56.54	12,13.42

Summarised Statement of Profit and Loss

Revenue from operation	33,53.18	31,51.49
Other income	6.03	-
Profit/(Loss) for the year	(1,89.59)	(4,80.17)
Total comprehensive loss for the year	(1,89.59)	(4,80.17)
Profit/(Loss) allocated to NCI	(56.88)	(1,44.05)

Summarised cash flows

Cash flows from operating activities	1,02.21	13,67.41
Cash flows from investing activities	1,62.23	(17,21.33)
Cash flows from financing activities	(35.30)	(34.72)
Net increase / (decrease) in cash and cash equivalents	2,29.14	(3,88.65)

(c) Joint Venture

The details of Company's Joint Venture (not considered significant) as at March 31, 2022 is set out below.

Name of the Entity	Place of Business / Country of Incorporation	Ownership interest held by the Company	Accounting Method	Principal Activities	Carrying Amount	
					March 31, 2022	March 31, 2021
SG Shinagawa Refractories India Private Limited	India	49%	Equity Method	Deals in all kinds of refractory and resistance products	10,22.60	11,21.09

Set out below is summarised Company's share in the Joint Venture.

	March 31, 2022	March 31, 2021
(a) Profit or loss from continuing operations	(98.49)	(6.65)
(b) Post-tax profit or loss from discontinued operations	-	-
(c) Other comprehensive income	-	-
(d) Total comprehensive income	(98.49)	(6.65)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(d) Associate

The details of Company's Associate (not considered significant) as at March 31, 2022 is set out below.

Name of the Entity	Place of Business / Country of Incorporation	Ownership interest held by the Company	Accounting Method	Principal Activities	Carrying Amount	
					March 31, 2022	March 31, 2021
Cleanwin Energy Three LLP	India	27.27%	Equity Method	Deals in all kinds of refractory and resistance products	15.00	-

Set out below is summarised Company's share in the Associate.

	March 31, 2022	March 31, 2021
(a) Profit or loss from continuing operations	-	-
(b) Post-tax profit or loss from discontinued operations	-	-
(c) Other comprehensive income	-	-
(d) Total comprehensive income	-	-

50 Additional Information required by Schedule III

Particulars	March 31, 2022								March 31, 2021							
	Net Assets i.e. total assets minus total liabilities		Share in Profit		Share in other Comprehensive Income		Share in Total Comprehensive Income		Net Assets i.e. total assets minus total liabilities		Share in Profit		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	% of Consolidated Net assets	Amount	% of Share in Profit	Amount	% of Other Comprehensive Income	Amount	% of Total Comprehensive Income	Amount	% of Consolidated Net assets	Amount	% of Share in Profit	Amount	% of Other Comprehensive Income	Amount	% of Total Comprehensive Income	Amount
I. Parent																
Grindwell Norton Ltd	98.93%	1,563,04.17	100.99%	297,99.95	100.00%	11,60.38	1,00.95%	309,60.33	98.55%	1,357,05.54	101.82%	242,07.15	100.00%	19,59.24	85.32%	261,66.39
II. Subsidiaries																
Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	1.71%	26,97.72	-0.45%	(1,32.71)	-	-	-0.45%	(1,32.71)	1.95%	26,86.38	-1.41%	(3,36.12)	-	-	-1.10%	(3,36.12)
Non Controlling Interest	0.73%	11,56.54	-0.19%	(56.88)	-	-	-0.19%	(56.88)	0.88%	12,13.42	-0.61%	(1,44.05)	-	-	-0.47%	(1,44.05)
III. Joint ventures (Investment as per equity method)																
SG Shinagawa Refractories India Private Limited	0.65%	10,22.60	-0.34%	(98.49)	-	-	-0.32%	(98.49)	0.81%	11,21.09	-0.03%	(6.65)	-	-	-0.02%	(6.65)
Inter-company Elimination & Consolidation Adjustments	-2.02%	(31,78.79)	-0.01%	(4.21)	-	-	-0.01%	(4.21)	-2.19%	(30,30.53)	0.24%	53.88	-	-	0.19%	53.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	March 31, 2022								March 31, 2021							
	Net Assets i.e. total assets minus total liabilities		Share in Profit		Share in other Comprehensive Income		Share in Total Comprehensive Income		Net Assets i.e. total assets minus total liabilities		Share in Profit		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	% of Consolidated Net assets	Amount	% of Share in Profit	Amount	% of Other Comprehensive Income	Amount	% of Total Comprehensive Income	Amount	% of Consolidated Net assets	Amount	% of Share in Profit	Amount	% of Other Comprehensive Income	Amount	% of Total Comprehensive Income	Amount
IV. Associates																
Cleanwin Energy Three LLP *	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	100.00%	1,580,02.24	100.00%	295,07.66	100.00%	11,60.38	100.00%	306,68.04	100.00%	1,376,95.90	100.00%	237,74.21	100.00%	19,59.24	83.91%	257,33.45

*The Group is not entitled in share of profit/(loss).

- 51** The Subsidiary of the Company has undistributed earnings of ₹ 9,54.84 lakhs (March 31, 2021 - ₹ 11,44.43 lakhs), which if paid out as dividend would be taxable in the hands of the recipient. An assessable temporary difference exists but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from the subsidiary. The subsidiary is not expected to distribute these profits in the foreseeable future.
- 52** Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 1, 2021.
- 53** The other matters as required under paragraph "L - Additional Regulatory Information" under part I of Division II of Schedule III of the Companies Act, 2013 and Paragraph 7(l) and 7(n) of Part II of Division II and Schedule III to Companies Act 2013 as relevant to Consolidated financial statements are either not applicable or there are no reportable matters.

The accompanying notes (1 to 53) are an integral part of the Consolidated financial statements.

As per our Report of even date

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

Sachin Parekh
Partner
Membership No. 107038
Bengaluru : May 6, 2022

Keki M. Elavia

B. Santhanam

Deepak Chindarkar

K. Visweswaran

Bengaluru : May 6, 2022

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

Chairman

Managing Director

Chief Financial Officer

Company Secretary

DIN 00003940

DIN 00494806

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
Cash flow from operating activities		
Profit before tax	395,88.58	317,20.31
Adjustments for;		
Depreciation and amortisation expense	53,46.71	54,35.54
Loss/(Profit) on assets discarded/sold (net)	(3,12.86)	18.97
Gain on Redemption of Mutual Funds	(16,10.09)	(22,93.40)
Unrealised (gain)/loss on foreign exchange	47.63	(2,20.60)
Dividend income	(2,85.28)	(17,10.20)
Interest Income	(7,52.36)	(98.90)
Finance Costs	4,12.02	3,41.81
Share based Payments	1,56.70	1,76.42
Changes in fair value on financial instruments	2,46.32	8,87.34
Share of (Profit)/Loss of Joint Ventures	98.49	6.65
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(35,68.98)	6,80.66
(Increase)/Decrease in inventories	(125,07.08)	(19,19.62)
(Increase)/Decrease in loans	(3,47.44)	2,63.35
(Increase)/Decrease in other financial asset	(87.56)	(2,49.68)
(Increase)/Decrease in other non-current asset	23.44	1,17.56
(Increase)/Decrease in other current asset	(13,83.17)	(16,33.86)
Increase/(Decrease) in trade payables	16,10.41	84,08.64
Increase/(Decrease) in provisions	2,10.49	(73.42)
Increase/(Decrease) in other non-current liabilities	(13.54)	(27.22)
Increase/(Decrease) in other current liabilities	11,63.52	3,98.51
Increase/(Decrease) in other financial liabilities	5,94.01	7,60.53
Cash generated from operations	286,29.96	409,89.39
Income taxes paid (net of refunds)	(99,71.84)	(78,61.49)
Net cash inflow from operating activities	186,58.12	331,27.90
Cash flows from investing activities		
Payments towards purchase of property, plant and equipment and intangible assets	(125,59.06)	(48,34.21)
Proceeds from maturity of NHAI bond	74.17	-
Proceeds from sale of property, plant and equipment	5,69.22	8.65
Sale/(Purchase) of Mutual Fund (net)	211,17.56	(82,05.45)
Purchase of non-current investment	(15.00)	(7,95.00)
Investment in Bank Deposit with maturity of more than 3 months (net)	(154,25.99)	(108,78.00)
Dividend received	2,85.28	17,10.20
Interest received	5,94.30	36.05
Net cash (outflow) from financing activities	(53,59.52)	(229,57.76)
Cash flows from financing activities		
Interest paid	(4,12.02)	(3,41.81)
Proceeds from borrowings	2,15.34	-
Dividend paid	(105,18.40)	(83,04.00)
Payment of lease liabilities (Principal portion)	(6,73.40)	(8,57.55)
Net cash outflow from financing activities	(113,88.48)	(95,03.36)
Net increase/(decrease) in cash and cash equivalents	19,10.12	6,66.78
Add : Cash and cash equivalents at the beginning of the financial year (Refer note 13)	19,29.95	12,63.17
Cash and cash equivalents at end of the year as reported in balance sheet (Refer note 13)	38,40.07	19,29.95

Note : Note : Above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS-7-Statement of Cash Flows notified under Section 133 of the Companies Act 2013.

As per our Report of even date

For and on behalf of Board of Directors of

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

Keki M. Elavia

Grindwell Norton Limited
Chairman

DIN 00003940

B. Santhanam

Managing Director

DIN 00494806

Sachin Parekh
Partner
Membership No. 107038

Deepak Chindarkar

Chief Financial Officer

K. Visweswaran

Company Secretary

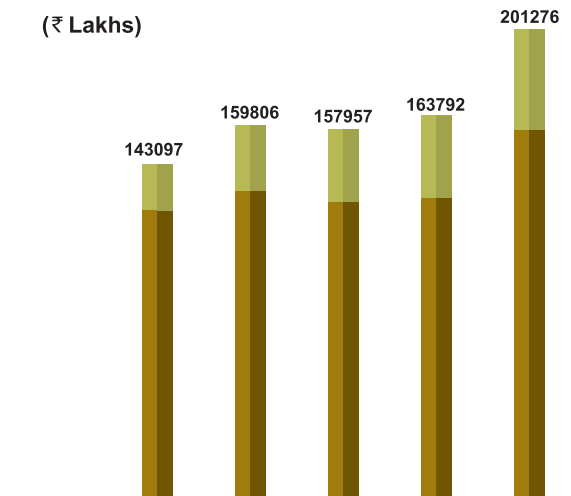
Bengaluru : May 6, 2022

Bengaluru : May 6, 2022

FINANCIAL PERFORMANCE

Revenue from Operations

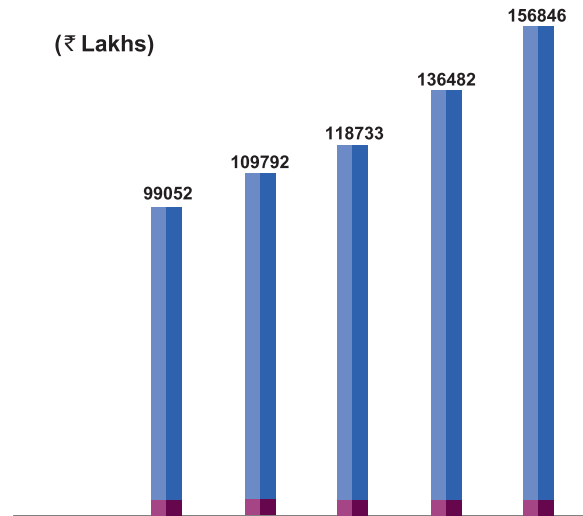
(₹ Lakhs)



Year	2017-18	2018-19	2019-20	2020-21	2021-22
Export	19665	28512	30948	35343	43435
Domestic	123432	131294	127009	128449	157841

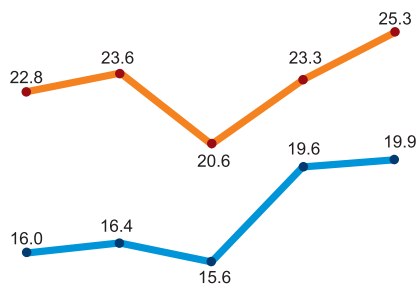
Net Worth

(₹ Lakhs)



Year	2017-18	2018-19	2019-20	2020-21	2021-22
Equity	5536	5536	5536	5536	5536
Reserves*	93516	104256	113197	130946	151310

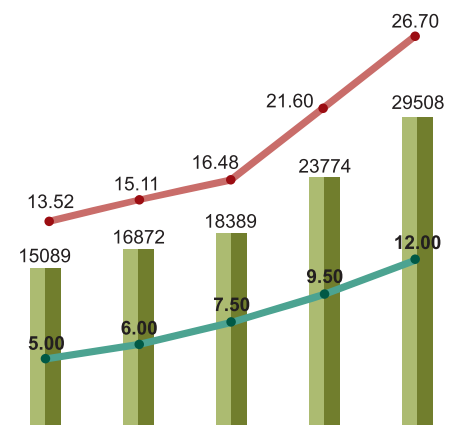
Profit Margin (%), ROCE (%) & Asset Turnover



Year	2017-18	2018-19	2019-20	2020-21	2021-22
Asset Turnover	1.43	1.44	1.32	1.19	1.27

Profit Margin ROCE

Profit After Tax, Earning Per Share (₹) & Dividend Per Share (₹)#



Year	2017-18	2018-19	2019-20	2020-21	2021-22
Profit After Tax (₹ in Lakhs)	15089	16872	18389	23774	29508
Earning Per Share (₹)	13.52	15.11	16.48	21.60	26.70
Dividend Per Share (₹)	5.00	6.00	7.50	9.50	12.00

Based on the enhanced capital & Sub-divided Face Value of ₹ 5 each
* Excluding Revaluation Reserve

