NORTON GRINDWELL NORTON LTD.

# AIMING HIGHER

SAINT-GOBAIN

# ANNUAL REPORT 2023-2024

# TEN YEAR CONSOLIDATED FINANCIAL HIGHLIGHTS

(₹ Lakhs)

| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | **2023-24** |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue from Operations (Net) ^ | 108433 | 113537 | 126336 | 143097 | 159806 | 157957 | 163792 | 201276 | 254134 | **268677** |
| Profit Before Interest and Tax | 15671 | 16351 | 18172 | 22900 | 26194 | 24710 | 32062 | 40001 | 49370 | **51610** |
| Profit After Tax | 10419 | 10638 | 12089 | 15089 | 16872 | 18389 | 23774 | 29508 | 36152 | **38396** |
| Share Capital | 2768 | 2768 | 5536 | 5536 | 5536 | 5536 | 5536 | 5536 | 5536 | **5536** |
| Reserves and Surplus * | 58480 | 73549 | 83766 | 93516 | 104256 | 113197 | 130947 | 151310 | 175045 | **199993** |
| Total Debts | 1491 | 1517 | 776 | 4 | 0 | 0 | 0 | 0 | 1754 | **1805** |
| Net Fixed Assets * | 36360 | 36405 | 37434 | 36672 | 38804 | 41277 | 38496 | 44179 | 61486 | **78964** |
| Net Working Capital ¢ | 25597 | 32307 | 41348 | 48336 | 57040 | 64659 | 81137 | 88933 | 86285 | **100298** |
| Earnings Per Share (₹) # | 9.32 | 9.50 | 10.78 | 13.52 | 15.11 | 16.48 | 21.60 | 26.70 | 32.69 | **34.65** |
| Dividend Per Share (₹) # | 3.25 | 3.25 | 4.00 | 5.00 | 6.00 | 7.50 | 9.50 | 12.00 | 14.50 | **17.00** |
| Book Value Per Share (₹) * # | 55.32 | 68.93 | 80.66 | 89.46 | 99.16 | 107.24 | 123.27 | 141.66 | 163.10 | **185.63** |

## KEY RATIOS

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Profit Margin (%) (Net) | 14.45 | 14.59 | 14.38 | 16.00 | 16.40 | 15.60 | 19.57 | 19.87 | 19.43 | **19.21** |
| Asset Turnover (Net) | 1.70 | 1.45 | 1.40 | 1.43 | 1.44 | 1.32 | 1.19 | 1.27 | 1.40 | **1.30** |
| Return on Capital Employed (%) | 23.93 | 20.11 | 19.50 | 22.80 | 23.60 | 20.60 | 23.28 | 25.32 | 27.17 | **24.97** |
| Current Ratio | 1.91 | 2.23 | 2.58 | 2.65 | 2.98 | 2.89 | 2.86 | 2.86 | 2.67 | **2.76** |
| Dividend Payout Ratio (incl tax) | 43% | 43% | 46% | 45% | 48% | 45% | 44% | 45% | 44% | **49%** |

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 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

NORTON GRINDWELL NORTON LTD.

**Bankers**
Standard Chartered Bank
HDFC Bank
ICICI Bank
Axis Bank

**Statutory Auditors**
M/s. Kalyaniwala & Mistry LLP
Chartered Accountants

**Registrars & Transfer Agents**
Link intime India Private Limited
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400083
Tel. No.: +91 8108118484
E-mail id: csg-unit@linkintime.co.in
Website: https://linkintime.co.in

**Registered Office**
5th Level, Leela Business Park
Andheri-Kurla Road
Marol, Andheri (East)
Mumbai 400059
Tel. No.: +91 22 4021 2121
Fax No.: +91 22 4021 2102

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

**Website**
www.grindwellnorton.co.in

**Corporate Identity Number**
L26593MH1950PLC008163

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

**Directors**
**(As on May 7, 2024)**

Mr. Keki Elavia
(Chairman)

Mr. Aakil Mahajan

Dr. Archana Hingorani

Mr. David Eric Molho

Mr. Jean-Claude Lasserre

Mr. Sreedhar Natarajan

Mr. Subodh Nadkarni

Mr. Venugopal Shanbhag

Mr. B. Santhanam
(Managing Director)

**Management Committee**

Mr. Venugopal Shanbhag
(Executive Director)

Mr. Hari Singudasu
(Chief Financial Officer)

Mr. Amit Koul
(Abrasives)

**Company Secretary**
Mr. K. Visweswaran

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# NOTICE

Notice is hereby given that the 74th Annual General Meeting ("AGM") of the Members of Grindwell Norton Limited will be held on Thursday, July 18, 2024 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, 2024, 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, 2024, together with the Report of the Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year ended March 31, 2024.
3. To appoint a Director in place of Mr. David Eric Molho (Director Identification No. 09326249), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

4. **Appointment of Mr. Kaustubh Govind Shukla as an Independent Director of the Company**

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

   **"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s), re-enactment(s), amendment(s), or variation(s) thereof for the time being in force), Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, and in respect of whom the notice in writing has been received from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Kaustubh Govind Shukla (Director Identification No.10580359) who is eligible for appointment as an Independent, Non-Executive Director, and has given his consent along with a declaration that he meets the criteria for independence under section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, be and is hereby appointed as an Non-Executive and Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five (5) consecutive years on the Board of the Company effective from July 18, 2024 up to July 17, 2029.

   **RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof or a Company Secretary of the Company be and are hereby authorized 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.**"**

5. **Appointment of Mr. Venugopal Shanbhag as a Director of the Company**

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

   **"RESOLVED THAT** Mr. Venugopal Shanbhag (Director Identification No. 08888359), who was appointed as an Additional Director of the Company with effect from May 7, 2024 by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") (including any statutory modification(s), re-enactment(s), amendment(s), or variation(s) thereof for the time being in force) and Article 112 of the Articles of Association of the Company, and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, not liable to retire by rotation.

   **RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof or a Company Secretary of the Company be and are hereby authorized 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.**"**

6. **Appointment of Mr. Venugopal Shanbhag as a Whole-Time Director designated as Executive Director of the Company**

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

   **"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, ("Act"), read with Schedule V to the Act (including any statutory modification(s), re-enactment(s), amendment(s), or variation(s) thereof for the time being in force) and applicable provisions of the Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, the consent of the Company be and is hereby accorded to the appointment and terms of remuneration of Mr. Venugopal Shanbhag (Director Identification No. 08888359) as a Whole-Time Director designated as Executive Director of the Company for a period of five (5) years effective from May 7, 2024, upon the terms and conditions set out in the Statement annexed to the Notice convening this Annual General Meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Venugopal Shanbhag.

**RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof or a Company Secretary of the Company be and are hereby authorized 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.**"**

7. **Re-appointment of Mr. Subodh Nadkarni as an Independent Director of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions of the Companies Act, 2013 ("Act"), if any, read with Schedule IV to the Act (including any statutory modification(s), re-enactment(s), amendment(s), or variation(s) thereof for the time being in force), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, Mr. Subodh Nadkarni (Director Identification No. 00145999), who was appointed as a Independent, Non-Executive Director of the Company for a term of five (5) consecutive years effective from July 25, 2019 to July 24, 2024 and who being eligible for re-appointment as a Independent, Non-Executive Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent, Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years on the Board of the Company effective from July 25, 2024 up to July 24, 2029.

**RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof or a Company Secretary of the Company be and are hereby authorized 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.**"**

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

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration of ₹3,25,000/- (Rupees three lakhs twenty five thousand only) plus applicable taxes and out of pocket expenses at actuals payable to M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No. 000065), who have been appointed by the Board of Directors on the recommendation of the Audit Committee as the Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025, be and is hereby ratified and confirmed.

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

By Order of the Board of Directors

**K. VISWESWARAN**
Company Secretary
Membership No. A16123

Mumbai, May 6, 2024

**Registered Office:**
5th Level, Leela Business Park
Andheri-Kurla Road, Marol, Andheri (East)
Mumbai 400059
Tel. No.: +91 22 4021 2121
Fax No.: +91 22 4021 2102
E-mail: sharecmpt.gno@saint-gobain.com
Website: www.grindwellnorton.co.in
Corporate Identity Number: L26593MH1950PLC008163

**NOTES:**

(a) The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 20/2020 dated May 5, 2020 and 09/2023 dated September 25, 2023 and other circulars issued in this respect ("MCA Circulars") allowed, inter-alia, conduct of Annual General Meeting ("AGM") through Video Conferencing/Other Audio-Visual Means ("VC/OAVM"), in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020 dated May 5, 2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 ("SEBI Circular") has provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 ("Listing Regulations"). Hence, in compliance with the aforesaid 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 Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), in respect of business set out in Item Nos. 4 to 8 of the accompanying Notice and the relevant details as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings ("SS-2") issued by The Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at the AGM is 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 the 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. Thursday, July 18, 2024. In this regard, 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 2023-24 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 2023-24 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") https://evoting.kfintech.com.

(e) The Company has engaged the services of KFintech 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 Wednesday, July 10, 2024 to Thursday, July 18, 2024 (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, July 22, 2024, 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 Tuesday, July 9, 2024.

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 Tuesday, July 9, 2024.

(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, Link intime India Private Limited ("Linkintime") 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, Linkintime to provide efficient and better services. The relevant forms can be downloaded from Company's website www.grindwellnorton.co.in/investor-information>Shareholder Information>intimation to shareholders or from RTA's website https://linkintime.co.in.

Members holding shares in physical form are requested to intimate such changes to Linkintime through email csg-unit@linkintime.co.in.

(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 LinkintimeRelevant details are published on Company's website www.grindwellnorton.co.in/investor-information>Shareholder Information>intimation to shareholders.

(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 Linkintime, 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 Wednesday, July 17, 2024 through email on sharecmpt.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 to 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 7 (seven) years from the date of transfer to Unpaid Dividend Account of the Company, is 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 7 (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, 2016, has been transferred to IEPF on April 16, 2023.

During the financial year 2023-24, 7,999 equity shares in respect of which dividend has not been claimed by the Members for seven consecutive years or more, has 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. August 14, 2023, 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 are 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 is as follows:

| Financial Year | Date of declaration of Dividend | Due date for transfer to IEPF |
|---|---|---|
| 2016-17 | July 26, 2017 | August 26, 2024 |
| 2017-18 | July 26, 2018 | August 25, 2025 |
| 2018-19 | July 25, 2019 | August 26, 2026 |

| Financial Year | Date of declaration of Dividend | Due date for transfer to IEPF |
|---|---|---|
| 2019-20 | July 24, 2020 | August 26, 2027 |
| 2020-21 | July 28, 2021 | August 27, 2028 |
| 2021-22 | July 29, 2022 | August 28, 2029 |
| 2022-23 | August 14, 2023 | September 18, 2030 |

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 Linkintime.

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 warrants.

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 yet registered their e-mail addresses are requested to register the same with Linkintime/DPs by submitting their queries by clicking on "Service Request" option under "Investor Services" tab available on the website of the RTA at https://linkintime.co.in. Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs/ RTA to enable servicing of notices/ documents/ Annual Reports and other communications electronically to their e-mail address in future. In compliance with the Circulars, the Annual Report 2023-24, the Notice of the 74th 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/ Linkintime (if shares held in physical form).

A Resident individual shareholder having 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-exemptforms2425@linkintime.co.in by 11:59 p.m. IST on Tuesday, July 9, 2024. Shareholders are requested to note that in case their PAN is not registered or linked with Aadhaar, 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 latest by 11:59 p.m. IST on Tuesday, July 9, 2024.

(s) Pursuant to the MCA Circulars, physical attendance of members has been dispensed with and, therefore, there is no requirement of appointment of proxies. Hence the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 74th AGM. The representatives of the members may be appointed as per the Section 112 and Section 113 of the Act, for the purpose of voting through remote e-Voting facility through Board Resolution/ Power of Attorney/ Authority Letter, etc., for participation in the 74th AGM through VC/OAVM facility and e-Voting. Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not annexed to this Notice.

(t) SEBI vide its Circular dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website www.grindwellnorton.co.in/investor-information>Shareholder Information>intimation to shareholders and on the website of the Company's RTA's at https://linkintime.co.in, It may be noted that any service request can be processed only after the folio is KYC Compliant.

(u) SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 (now rescinded due to issuance of Master Circular dated May 17, 2023), mandated that with effect from April 1, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature. The Company through Linkintime have also sent reminder letters regarding the same to all security holders holding shares in physical mode.

In light of the above, we urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest. The relevant forms are available on the Company's website at www.grindwellnorton.co.in/investor-information and on the website of the RTA at https://liiplweb.linkintime.co.in/KYC-downloads.html. Further, relevant FAQs published by SEBI on its website can be viewed at the following link: www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf.

(v) SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (smartodr.in/login).

(w) SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, has done away with the provision regarding freezing of folios not having PAN, KYC, and Nomination details in order to mitigate unintended challenges on account of freezing of folios.

(x) **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 Monday, July 15, 2024 at 9:00 A.M. IST and end on Wednesday, July 17, 2024 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, Thursday, July 11, 2024, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by KFintech after Wednesday, July 17, 2024 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/myeasitoken/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 |
| | | | |
| **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/myeasitoken/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** | | |
| I. | URL: www.evoting.nsdl.com/ | IV. | After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress |
| II. | Click on the icon "Login" which is available under 'Shareholder/Member' section | | |
| III. | Enter User ID (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-Voting page | | |
| 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 022 4886 7000 and 022 2499 7000,<br>weblink to contact: www.evoting.nsdl.com/eVotingWeb/contactus.do | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022 2305 8738 or 022 2305 8542/43<br>e-Voting Helpdesk Toll Free no.: 1800225533<br>weblink to contact: www.evotingindia.com/ContactUs.jsp |

**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**

a. Open your web browser during the remote e-Voting period and navigate to “https://evoting.kfintech.com”.

b. 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, Thursday, July 11, 2024 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).Once you ‘CONFIRM’ your vote on the Resolution whether partially or otherwise, you will not be allowed to modify your vote.

   I. 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.

II. 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 Thursday, July 11, 2024. 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.

III. 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.

IV. 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 Vice President of KFin Technologies Limited, Selenium, Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad 500032 or at einward.ris@kfintech.com and evoting@kfintech.com or call KFintech's toll free no. 1800 309 4001 for any further clarifications.

**Instructions for attending AGM:**

a. 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 "Name of the Company" 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 a 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.

   If e-mail address or mobile number of a 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.

b. 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.

c. 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.

d. 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.

e. 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 to first-come-first-served basis.

f. 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:**

**i. 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.**

**ii. 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.**

The Board of Directors have appointed Mr. P.N. Parikh (Membership No. FCS 327 CP 1228) or failing him Mr. Mitesh Dhabliwala (Membership No. FCS 8331 CP 9511) and failing him Ms. Sarvari Shah (Membership No. FCS 9697, CP 11717) 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.

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.

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 AGM.**

| Sr. No. | Particulars | Details |
|---|---|---|
| 1. | Date and Time of AGM | Thursday, July 18, 2024 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 |
| 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.<br>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 ("KFintech") at 1800 309 4001 or write to them at evoting@kfintech.com |
| 6. | Cut-off date for e-Voting | Thursday, July 11, 2024 |
| 7. | Time period for remote e-Voting | Monday, July 15, 2024 (9:00 a.m. IST) and ends on Wednesday, July 17, 2024 (5:00 p.m. IST) |
| 8. | Book closure dates | Wednesday, July 10, 2024 to Thursday, July 18, 2024 (both days inclusive) |
| 9. | Last date for publishing results of the e-Voting | Saturday, July 20, 2024 |
| 10. | Rate of Dividend | ₹17/- per equity share |
| 11. | Dividend payment date on and from | Monday, July 22, 2024 |
| 12. | Cut-off date for submission of TDS on dividend related exemption forms | Tuesday, July 9, 2024 |
| 13. | Email ID where the TDS on dividend related exemptions forms to be submitted | 1. Resident shareholders: csgexemptfoms2425@linkintime.co.in<br>2. Non-resident shareholders: sharecmpt.gno@saint-gobain.com |

# ANNEXURE TO THE 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. 4:**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 6, 2024, recommended the appointment of Mr. Kaustubh Govind Shukla (Director Identification No.10580359) as a Non-Executive Director and Independent Director of the Company, not liable to retire by rotation, for a term of five (5) consecutive years, from July 18, 2024 up to July 17, 2029, subject to approval of the Members. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member, proposing his candidature for the office of Director.

The Company has received declaration from Mr. Kaustubh Govind Shukla to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In terms of Regulation 25(8) of the Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies, Mr. Kaustubh Govind Shukla has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority.

Mr. Kaustubh Govind Shukla is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ("IICA").

In the opinion of the Board, he fulfils the conditions specified in the Act, Rules and Listing Regulations for appointment as a Non-Executive Director and Independent Director and he is independent of the management of the Company.

Mr. Kaustubh Govind Shukla possesses skills, expertise, knowledge, and competencies in the context of the Company's businesses required for the role of an Independent Director of the Company, particularly related to Planning Strategy, Business Development, Project management, Operations Excellence and Team Building.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of Mr. Kaustubh Govind Shukla as a Non-Executive Director and Independent Director is now being placed before the Members for their approval. The terms and conditions of appointment of Mr. Kaustubh Govind Shukla is available on the website of the Company, www.grindwellnorton.co.in.

Further details of Mr. Kaustubh Govind Shukla have been given in the Annexure to this Notice.

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

Except Mr. Kaustubh Govind Shukla and/or his relatives, none of the Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of this Notice.

**Item Nos. 5 and 6:**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee appointed Mr. Venugopal Shanbhag (Director Identification No. 08888359) as an Additional Director with effect from May 7, 2024.

On the recommendation of Nomination and Remuneration Committee the Board of Directors, at the same meeting, also appointed him as the 'Whole-Time Director designated as Executive Director' of the Company for a period of five (5) years with effect from May 7, 2024 up to May 6, 2029, subject to the approval of the Members at the ensuing Annual General Meeting ("AGM").

Pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company, he holds office of Additional Director up to the date of the ensuing AGM of the Company and is eligible to be appointed as an Executive Director, whose office shall not be liable to retire by rotation. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member, proposing his candidature for the office of Director.

Further details of Mr. Venugopal Shanbhag have been given in the Annexure to this Notice.

The main terms and conditions of the appointment of Mr. Venugopal Shanbhag (hereinafter referred to as **"Executive Director"**) are given below:

**(I) Tenure of Appointment:**

The appointment as an Executive Director of the Company is for a period of five (5) years with effect from May 7, 2024 up to May 6, 2029.

**(II) Nature of Duties:**

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

**(III) Remuneration:**

**(a) Salary:**

₹11,50,000/- per month.

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

The Board of Directors of the Company (including any Committee of Directors) is hereby authorised to vary and/or revise the existing remuneration of Mr. Venugopal Shanbhag within the overall limits under the Act and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time.

**(b) In addition to the above mentioned Salary, the Executive Director is eligible for the following Benefits, Perquisites and Allowances:**

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

**(c) Commission:**

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

**(IV) Minimum Remuneration:**

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

**(V) Other terms of Appointment:**

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

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

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

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

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

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

The Board of Directors recommends the Ordinary Resolution set out at Item Nos. 5 and 6 of the Notice for approval of the Members.

Except Mr. Venugopal Shanbhag and/or his relatives, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item Nos. 5 and 6 of the Notice.

**Item No. 7:**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 6, 2024, subject to the approval of the Members at the ensuing Annual General Meeting of the Company, recommended the re-appointment of Mr. Subodh Nadkarni as an Independent, Non-Executive Director. It is proposed to seek approval of the Members by way of a Special Resolution for the re-appointment of Mr. Subodh Nadkarni as an Independent, Non-Executive Director for a second term of five (5) consecutive years effective from July 25, 2024 to July 24, 2029, not liable to retire by rotation.

Mr. Subodh Nadkarni possesses skills, expertise, knowledge and competencies in the context of the Company's businesses required for the role of an Independent Director of the Company, particularly related to Finance, Commerce, Project Management, Sales, Marketing, Human Resources Management, General Administration and leading International Operations.

The Board of Directors, based on the performance evaluation and recommendation of the Nomination and Remuneration Committee, evaluated that Mr. Subodh Nadkarni's knowledge, acumen, requisite skills, capabilities, expertise, experience, substantial contribution, and time commitment would be beneficial to the Company. Therefore, it is desirable to continue to avail of his services as an Independent Director.

The Company has received a declaration from Mr. Subodh Nadkarni confirming that he continues to meet the criteria of independence as prescribed under Section 149(6) of the Act, read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In terms of Regulation 25(8) of the Listing Regulations, Mr. Subodh Nadkarni has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies, Mr. Subodh Nadkarni has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any other authority.

Further, Mr. Subodh Nadkarni has confirmed that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director in terms of Section 152 of the Act, subject to re-appointment by the Members. Mr. Subodh Nadkarni is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ("IICA"). He is exempt from the requirement to undertake online proficiency self-assessment test conducted by IICA. In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the Listing Regulations and other applicable provisions of the Act and Listing Regulations, the re-appointment of Mr. Subodh Nadkarni as an Independent, Non-Executive Director is now placed for the approval of the Members by way of Special Resolution. The terms and conditions of appointment/re-appointment of Mr. Subodh Nadkarni is also available on the website of the Company, www.grindwellnorton.co.in.

Further details of Mr. Subodh Nadkarni have been given in the Annexure to this Notice.

The Board recommends the Special Resolution set out in Item No. 7 of the accompanying Notice for approval of the Members.

Except Mr. Subodh Nadkarni and/or his relatives, none of the Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of this Notice.

**Item No. 8:**

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No. 000065) as "Cost Auditors" of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025.

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 Auditors 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. 8 of this Notice for ratification of the remuneration payable to the Cost Auditors.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 8 of the Notice.

By Order of the Board of Directors

**K. VISWESWARAN**
Company Secretary
Membership No. A16123

Mumbai, May 6, 2024

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

**Item No. 3:**

| **Name of the Director** | **Mr. David Eric Molho** |
|---|---|
| Director Identification Number | 09326249 |
| Date of Birth | October 22, 1977 |
| Age | 46 years |
| Date of first appointment on the Board | October 12, 2021 |
| Qualifications | Graduate of Ecole Polytechnique and Ecole Nationale des Ponts et Chaussées as engineer. |
| Brief Resume including experience | Mr. David Eric Molho began his career in the administration where he was Advisor to the French Prime Minister's Office, in charge of energy and environment.<br><br>He joined Saint-Gobain in 2009, as Vice-President of Corporate Planning in Paris. Later he was appointed as Managing Director of the Pipe business in Brazil, and then CEO Saint-Gobain Distribution in the Nordic countries.<br><br>On January 1, 2019 he was appointed as CEO Nordics and Baltics.<br><br>He holds the position of CEO High Performance Solutions, effective July 1, 2021. |
| Expertise in the specific functional role | Wide experience in General Management. |
| Terms and Conditions of Appointment/ Re-appointment | His appointment as a Director with effect from October 12, 2021 was approved by the Members through Postal Ballot, the result of which was declared on March 16, 2022.<br><br>As per Item No. 3 of the Notice, the approval of the Members is sought for his re-appointment as a Non-Executive Directore 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 | 2 (two) |
| Directorships held in other listed companies (excluding foreign companies and Section 8 companies) as on March 31, 2024 | Nil |
| Memberships/Chairmanships of Committees of other listed companies (includes only Audit Committee and Stakeholders Relationship Committee) as on March 31, 2024 | Nil |
| Inter-se relationship with other Directors and Key Managerial Personnel of the Company | Nil |
| Number of equity shares held in the Company:<br>a) own<br>b) as a beneficial owner | Nil |

**DETAILS OF DIRECTOR SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING**

**Item No. 4:**

| **Name of the Director** | **Mr. Kaustubh Govind Shukla** |
|---|---|
| Director Identification Number | 10580359 |
| Date of Birth | August 21, 1963 |
| Age | 60 years |
| Date of first appointment on the Board | July 19, 2024 |
| Qualifications | Master of Management Studies (MMS) from Jamnalal Bajaj Institute of Management Studies (JBIMS), University of Mumbai, Maharashtra.<br>B.Sc. Engineering in Mechanical Engineering from National Institute of Technology (NIT) Rourkela, Sambalpur University, Odisha. |
| Brief Resume including experience | Currently, he serves as an Advisor to Godrej & Boyce Mfg. Co. Ltd. providing inputs on Strategy, Technology and Business Development.<br>He was formally the Chief Operating Officer (COO) of the Industrial Products Division at Godrej & Boyce for nearly two decades (from 2002 till Aug 2021).<br>• The Industrial Products Division (a Strategic Business Unit) is a consortium of four Divisions, each serving different industry segments.<br>• Process Equipment - Serving Oil & Gas, Petrochemical, Power, Fertilizers.<br>• Tooling - Serving Auto (Two & Four-Wheelers), Railways, Consumer Durables.<br>• Aerospace - Space, Civil Aviation, Defence.<br>• Precision Engineering - Nuclear Power, Land and Naval Systems for Defense, Wind & Steel.<br>• The independent SBU is responsible for all business functions; there is dual reporting for Finance & Personnel, Legal counsel & EXIM compliances are handled at corporate level.<br>• He has successfully led the Divisions to evolve as leaders in respective industries and emerge as organizations of choice by customers, employees, and vendors with specific emphasis on Values, Ethics and Sustainability.<br>• Three of the Four Divisions were awarded with TPM Excellence by Japan Institute of Plant Maintenance JIPM, and one of the Division received the CII-EXIM Business Excellence Award.<br>• Prior to the COO role, he has managed senior positions across different divisions in functions like Marketing, Sales, HR, Manufacturing & Systems.<br>He has been an active participant in several prominent industry associations and served them in different capacities. A few of them are:<br>- Trustee of the Indian Nuclear Society.<br>- Co-Chairman of SIDM's Aeronautical Sub-committee.<br>- Secretary of the Indian Atomic Industries Forum.<br>- Member of National Defence Committees of CII and FICCI.<br>- Member of Board of the TPM Club of India under CII Institute of Quality. |
| Expertise in the specific functional role | His functional role based on his Skills & Competencies includes:<br>• Planning Strategy<br>• Business Development<br>• Project Management<br>• Operational Excellence<br>• Building Teams |

**DETAILS OF DIRECTOR SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING**

**Item No. 4:**

| **Name of the Director** | **Mr. Kaustubh Govind Shukla** |
|---|---|
| Skills and capabilities required for the role and the manner in which he meets such requirements | Refer to the Item No. 4 of the Explanatory Statement. |
| Terms and Conditions of Appointment/ Re-appointment | To be appointed as a Non-Executive and Independent Director of the Company for five consecutive years effective from July 18, 2024 to July 17, 2029, not liable to retire by rotation, subject to the approval of the Members.<br>He will be entitled to sitting fees and commission as per the special resolution passed by the Members at the Annual General Meeting of the Company held on July 29, 2022. |
| Remuneration last drawn (including sitting fees, if any) | Not Applicable. |
| Remuneration proposed to be paid | Sitting fees and commission as per the special resolution passed by the Members at the Annual General Meeting of the Company held on July 29, 2022. |
| 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 | Not Applicable. |
| Directorships held in other listed companies (excluding foreign companies and Section 8 companies) as on May 6, 2024 | Nil |
| Memberships/Chairmanships of Committees of other listed companies (includes only Audit Committee and Stakeholders Relationship Committee) as on May 6, 2024 | Nil |
| Inter-se relationship with other Directors and Key Managerial Personnel of the Company | Nil |
| Number of equity shares held in the Company:<br>a) in own name<br>b) as a beneficial owner | Nil |

SAINT-GOBAIN

**DETAILS OF DIRECTOR SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING**

**Item Nos. 5 and 6:**

| **Name of the Director** | **Mr. Venugopal Shanbhag** |
|---|---|
| Director Identification Number | 08888359 |
| Date of Birth | June 26, 1970 |
| Age | 54 years |
| Date of first appointment on the Board | May 7, 2024 |
| Qualifications | Mechanical Engineer from Karnataka Regional Engineering college, Suratkal (now renamed as National Institute of Technology), Karnataka. |
| Brief Resume including experience | Mr. Venugopal Shanbhag joined Grindwell Norton Limited in 1991 and since then has worked in multiple functions and locations of Abrasives and Mobility businesses of Saint Gobain group in India. He had one year stint at Grinding Technology Centre at Saint-Gobain USA during 1995-96. He was on an expatriation assignment as Managing Director of Saint-Gobain Sekurit Thailand till August 2020 and Managing Director of Saint-Gobain Sekurit India Limited till May 4, 2024. |
| Expertise in the specific functional role | Management, Sales, Operations |
| Terms and Conditions of Appointment/ Re-appointment | Refer to the Item Nos. 5 and 6 of the Explanatory Statement. |
| Remuneration last drawn (including sitting fees, if any) | Not Applicable. |
| Remuneration proposed to be paid | Refer to the Item Nos. 5 and 6 of the Explanatory Statement . |
| 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 | Not Applicable. |
| Directorships held in other listed companies (excluding foreign companies and Section 8 companies) as on May 6, 2024 | Nil |
| Memberships/Chairmanships of Committees of other listed companies (includes only Audit Committee and Stakeholders Relationship Committee) as on May 6, 2024 | Nil |
| Inter-se relationship with other Directors and Key Managerial Personnel of the Company | Nil |
| Number of equity shares held in the Company:<br>a) in own name<br>b) as a beneficial owner | Nil |

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

**Item No. 7:**

| **Name of the Director** | **Mr. Subodh Nadkarni** |
|---|---|
| Director Identification Number | 00145999 |
| Date of Birth | April 2, 1956 |
| Age | 68 years |
| Date of first appointment on the Board | July 25, 2019 |
| Qualifications | Bachelors' Degree in Commerce from University of Mumbai, Chartered Accountant and Company Secretary. |
| Brief Resume including experience | Mr. Subodh Nadkarni holds a bachelor's degree in commerce from University of Mumbai. He is a Fellow Member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India. He was associated with Godrej Soaps Limited as the Financial Controller. He was the Managing Director and CEO of Sulzer India Limited. He has more than 40 years of experience and held various senior management and leadership positions across Asia, Middle East and Europe in Sulzer Group, Switzerland. Currently, he is the Senior Advisor (Asia Pacific, Australia), Sulzer Singapore. |
| Expertise in the specific functional role | Wide experience in Finance, Commerce, Project Management, Sales, Marketing, Human Resources Management, General Administration and leading International Operations. |
| Skills and capabilities required for the role and the manner in which he meets such requirements | Refer to the Item No. 7 of the Explanatory Statement. |
| Terms and Conditions of Appointment/ Re-appointment | As per the resolution passed by the shareholders at the Annual General Meeting of the Company held on July 24, 2020. Mr. Subodh Nadkarni was appointed as an Independent, Non-Executive Director of the Company for a term of five consecutive years effective from July 25, 2019, not liable to retire by rotation.<br><br>As per Item No. 7 of the Notice, the approval of the Members is sought for his re-appointment as an Independent, Non-Executive Director of the Company, not liable to retire by rotation, for second term of five consecutive years effective from July 25, 2024 to July 24, 2029.<br><br>He will be entitled to sitting fees and commission as per the special resolution passed by the Members at the Annual General Meeting of the Company held on July 29, 2022. |
| Remuneration last drawn (including sitting fees, if any) | Sitting Fees: ₹7,80,000/- (FY 2023-24)<br>Commission: ₹20,00,000/- (FY 2023-24) |
| Remuneration proposed to be paid | As per the Special Resolution passed by the Members at the Annual General Meeting of the Company held on July 29, 2022. |
| 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 | 6 (six) |
| Directorships held in other listed companies (excluding foreign companies and Section 8 companies) as on March 31, 2024 | • Galaxy Surfactants Limited<br>• Goa Carbon Limited |
| Memberships/Chairmanships of Committees of other listed companies (includes only Audit Committee and Stakeholders Relationship Committee) as on March 31, 2024 | • **Galaxy Surfactants Limited**<br>Audit Committee - Chairman<br>• **Goa Carbon Limited**<br>Audit Committee - Member |
| Inter-se relationship with other Directors and Key Managerial Personnel of the Company | Nil |
| Number of equity shares held in the Number of equity shares held in the Company:<br>a) in own name<br>b) as a beneficial owner | Nil |

# BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 74th Annual Report of the Company along with the audited financial statements for the year ended March 31, 2024.

**FINANCIAL HIGHLIGHTS**

(₹ crores)

| | Standalone | | Consolidated | |
|---|---|---|---|---|
| | **2023-24** | **2022-23*** | **2023-24** | **2022-23** |
| Sale of Products | **2,403.80** | 2,330.48 | **2,438.45** | 2,348.20 |
| Service & Other Operating Income | **247.88** | 193.27 | **248.32** | 193.14 |
| **Revenue from Operations** | **2,651.68** | 2,523.75 | **2,686.77** | 2,541.34 |
| **Operating Profit** | **514.95** | 498.37 | **516.87** | 495.56 |
| Finance Cost | **(6.92)** | (7.53) | **(7.76)** | (7.80) |
| **Profit before share of profit/(loss) from Joint Venture** | **508.03** | 490.84 | **509.11** | 487.76 |
| Share of profit/(loss) in Joint Venture | **-** | - | **(0.42)** | (1.86) |
| Exceptional loss | **(3.20)** | - | **(0.35)** | - |
| Provision for Tax | **(124.11)** | (124.93) | **(124.38 )** | (124.38) |
| **Profit for the year** | **380.72** | 365.91 | **383.96** | 361.52 |
| Other Comprehensive Income (Net) | **24.88** | 6.88 | **24.84** | 6.82 |
| **Total Comprehensive Income for the year** | **405.60** | 372.79 | **408.80** | 368.34 |
| Share of Non-controlling Interest | **-** | - | **(0.32)** | 0.38 |
| **Total Comprehensive Income attributable to owners** | **405.60** | 372.79 | **408.48** | 368.72 |

* figures of the previous period have been restated with effect from May 27, 2022, to give effect to the Merger by Absorption between the Company and PRS Permacel Private Limited.

**DIVIDEND**

Your Directors are pleased to recommend for approval of the Members a dividend of ₹17/- per equity share of the face value of ₹5/- each for the financial year ended March 31, 2024. The dividend on equity shares, if approved by the Members, would involve a cash outflow of ₹188.22 crores, as against the cash outflow of ₹160.54 crores in the previous year.

**TRANSFER TO RESERVES**

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

**OPERATIONS**

The Indian economy continued to perform well with an estimated growth of 7% to 7.3% during the financial year 2023-24. The growth in the Indian economy has been principally led by strong domestic demand and capital formation, however the private sector investment continued to be low. Despite, the global uncertainties, the services sector exports showed a robust growth. While the geo-political conditions affected the manufacturing for exports, the reduction in imports (due to low priced Russian oil) reduced the imbalance in the trade account deficit compared to previous year. The Index for Industrial Production ("IIP") witnessed a growth of 6.1% in the financial year 2023-24. While the core industries grew reasonably well, export oriented segments had big impact due to geo-political situation. Reflecting this, your Company's consolidated revenue from operations and operating profit (restated) posted a modest growth of 5.7% and 4.3% respectively.

**ABRASIVES**

The demand from end user segments like Auto, Auto Components, steel and foundry was consistent throughout the year. While the fundamentals remain strong there were some segments where customers faced headwinds due to lack of demand from Western countries and intense price pressure due to Chinese competition. The business also witnessed competitive pressure from the large global players. The improved product-mix, gain in market share and continued control over cost helped the business grow sales and operating profit by modest 6.2% and 7.3% respectively.

**CERAMICS & PLASTICS**

The Performance Ceramics and Refractories ("PCR") business witnessed modest growth. The improved operating efficiencies and higher sales volume helped to increase the operating margin. The steep fall in the demand of Life Science segment has impacted the performance of Performance Plastics business. While there has been increase in the input cost, better product mix helped to maintain the margins. The Silicon Carbide business witnessed improved volumes, however, lower sales realization resulted in reduction in operating margins. With the easing of COVID curbs in Bhutan, there was an overall increase in the output of the plant. While the overall sales of Ceramics and Plastics segment grew by 3.7% the operating profit lowered by 8.9% over previous year.

**DIGITAL SERVICES & OTHERS**

The Captive IT Development Centre ("INDEC") had a stable year. The Digital Services segment witnessed a normal increase in revenue in 2023-24, which is in line with the expectations.

**SUBSIDIARY COMPANY/JOINT VENTURE/ASSOCIATE**

**SUBSIDIARIES**

The Company has a subsidiary in Bhutan, Saint-Gobain Ceramic Materials Bhutan Private Limited ("SGCMBPL"). With COVID restrictions constraint not being there, the operations were stable. 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") SGCMBPL is not a material subsidiary.

The National Company Law Tribunal ("NCLT"), Mumbai bench had approved the Scheme of Merger by Absorption between PRS Permacel Private Limited ("Permacel"), wholly-owned subsidiary, and your Company under section 230-232 of the Companies Act, 2013 vide an order dated June 22, 2023. Pursuant to this order all the assets and liabilities of Permacel, were transferred and vested in your Company at fair value with effect from May 27, 2022, being the appointed date.

**JOINT VENTURE**

During the year, the Company executed Share Sale and Purchase agreement ("Agreement") with Shinagawa Refractories Co. Ltd. (Japan), for sale of 49% equity shares held by the Company in SG Shinagawa Refractories India Private Limited ("SGSR") for a consideration of ₹8 crore. The closing conditions pertaining to the said Agreement were concluded on November 30, 2023 and SGSR ceased to be a Joint Venture of the Company as on that date.

During the year, the Company subscribed 49% equity stake at a net consideration of ₹15 crores in Advanced Synthetic Minerals Private Limited.

The consolidated financial highlights provided above include details of the Company's subsidiary and Joint Ventures.

**ASSOCIATE COMPANY**

From a sustainability perspective, the Company invested in Cleanwin Energy Three LLP to procure green energy through wind power for its Mora Plant. This investment was beneficial in terms of cost optimization and enhanced sustainability.

In accordance with Section 129(3) of the Companies Act, 2013 ("Act"), 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 companies 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 companies 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/investor-information>Annual Reports.

**FUTURE PROSPECTS**

While the global geo-political and economic situation could bring in uncertainties, the overall economic growth in general and industrial growth in particular is neutral to positive. India's strong infrastructure push, logistics development and industrial corridor development will contribute significantly to raising industrial competitiveness and boosting future growth. Improvement in household consumption, bright prospects for capital formation, owing to an upturn in private capex cycle, improved business sentiments, healthy balance-sheets of banks and corporates and the government's continued thrust on capital expenditure to drive growth will propel the economic growth. Your Company's management will focus on growth led by new products and new markets. While the geopolitical tensions and climate shocks could bring in short term risk, the 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 were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

**HUMAN RESOURCES**

The Company's primary focus is to provide a professional work culture that fosters innovation, ensures high performance, and empowers employees to grow and develop individually. The Company strives to become a leader in all the businesses it operates in and places a strong emphasis on enhancing employee capabilities through training. The hiring and onboarding practices of the Company adhere to the best industry standards, and a fair and transparent performance evaluation process is followed. To improve organizational efficiency, employee engagement, and skill levels, the Company encourages participation in various training programs and mandatory e-learning courses. More generally, employee relations were cordial and productive at all sites of your Company. At the end of the financial year, there were 2524 permanent employees on the rolls of the Company.

**PREVENTION OF SEXUAL HARASSMENT**

The Company is dedicated to establishing and maintaining a positive work environment that is free from any kind of discrimination or harassment. The Company firmly believes that all employees have the right to be treated with dignity and respect, and it maintains a zero-tolerance policy towards any violations of its Code of Conduct, particularly with regards to sexual harassment. To address any such issues, the Company has an Internal Complaints Committee ("ICC") in place in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013. One (1) complaint was received during the year on sexual harassment, which was investigated, addressed and disposed in accordance with the established grievance redressal process,

**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. The Company adheres strictly to the Environment, Health, and Safety Charter, policies, and procedures established under the Saint-Gobain Group.

The Company's plants have been certified under ISO 9001: 2015, ISO 14001:2015 and ISO 45001:2018. These certifications and various awards acknowledge the efforts put in and outcomes achieved in enhancing the Environment, Health and Safety ("EHS") across all its work sites.

**PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other details as required under Section 197 of the Companies Act, 2013 ("Act") read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules") 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 above Rules, is provided in **Annexure 2(B)** forming part of this Report.

**PUBLIC DEPOSITS**

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

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**CESSATION/RETIREMENT**

Mr. Keki Elavia (Director Identification No. 00003940) was re-appointed as an Independent, Non-Executive Director at the Annual General Meeting ("AGM") of the Company held on July 25. 2019, for second term of five (5) consecutive years. As per the provisions of the Listing Regulations, Mr. Keki Elavia as an Independent, Non-Executive Director will be completing his second term and he will retire from the Board of the Company at the ensuing AGM. The Board of Directors placed on record their deep appreciation for the enormous contributions made by Mr. Keki Elavia, as an Independent, Non-Executive Director and Chairman of the Company. The Company and the Board benefitted immensely from Mr. Keki Elavia's vast experience, knowledge and insights.

Mr. Krishna Prasad (Director Identification No. 00130438), Whole-Time Director designated as Executive Director of the Company retired with effect from May 6, 2024. The Board of Directors placed on record their appreciation for the substantial contribution made by Mr. Krishna Prasad for over 34 years, out of which seven (7) years as an Executive Director. Under his strong leadership, the Ceramics and Plastics business has witnessed robust and sustained growth and success.

Mr. Deepak Chindarkar, Chief Financial Officer of the Company retired with effect from December 31, 2023. The Board of Directors placed on record their appreciation for the significant contribution made by Mr. Deepak Chindarkar for over 37 years to the Company.

**APPOINTMENT/RE-APPOINTMENT**

As per the Companies Act, 2013 ("Act") and the Articles of Association of the Company, Mr. David Eric Molho (Director Identification No.09326249), Non-Executive Director will retire by rotation and has been eligible and offered himself for re-appointment. The Board of Directors recommends his re-appointment and a resolution seeking Members approval, along with other essential details, is included in the Notice.

Mr. Subodh Nadkarni (Director Identification No. 00145999) was appointed as an Independent, Non-Executive Director of the Company at the AGM held on July 24, 2020, for a term of five consecutive years commenced from July 25, 2019 up to July 24, 2024. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and in accordance with the provisions of the Act, Rules and Listing Regulations, recommends his re-appointment as an Independent, Non-Executive Director, for a second term of five (5) consecutive years effective from July 25, 2024 up to July 24, 2029, not liable to retire by rotation, subject to approval of the Members at the ensuing AGM of the Company by way of Special Resolution. Mr. Subodh Nadkarni has wide experience in the fields of Finance, Commerce, Project management, Human resources and General management and his re-appointment will immensely benefit your Company. The Board of Directors recommends his re-appointment and a resolution seeking Members approval, along with other essential details, is included in the Notice.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, in accordance with the provisions of the Act, Rules and Listing Regulations, at its meeting held on May 6, 2024, recommended the appointment of Mr. Kaustubh Govind Shukla (Director Identification No.10580359) as a Non-Executive Director and Independent Director of the Company, not liable to retire by rotation, for a term of five (5) consecutive years effectiv from July 18, 2024 up to July 17, 2029, subject to approval of the Members at the ensuing AGM of the Company by way of Special Resolution. The Company has received a notice under Section 160(1) of the Act proposing his candidature for the office of Non-Executive Director and Independent Director of the Company. Mr. Kaustubh Govind Shukla has wide experience in operations and management and his induction on the Board of the Company will benefit your Company. The Board of Directors recommends his appointment and a resolution seeking Members approval, along with other essential details, is included in the Notice.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and in accordance with provisions of the Act, Rules and Listing Regulations appointed Mr. Venugopal Shanbhag (Director Identification No. 08888359) as an Additional Director with effect from May 7, 2024. He shall hold office as an Additional Director up to the date of ensuing AGM and is eligible for appointment as a Director. The Board of Directors, at the same meeting, also appointed him as the 'Whole-Time Director designated as Executive Director' of the Company, not liable to retire by rotation, for a period of five (5) years effective from May 7, 2024 up to May 6, 2029, subject to the approval of the Members at the ensuing AGM of the Company by way of Ordinary Resolutions. The Company has received a notice under Section 160(1) of the Act proposing his candidature for the office of Executive Director of the Company. Mr. Venugopal Shanbhag has wide experience and expertise in Management, Sales and Operations and his appointment as a Director will benefit your Company. The Board of Directors recommends his appointment and a resolution seeking Members approval, along with other essential details, is included in the Notice.

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 and Schedule V of the Listing Regulations are given in the Corporate Governance Report, forming part of the Annual Report. The Members are also requested to refer to the pertinent items listed in the Notice of the AGM.

Mr. Jean-Claude Lasserre was appointed as a Non-Executive Additional Director with effect from May 24, 2023 and members approved the said appointment through ordinary resolution at the Annual General meeting held on August 14, 2023.

Ms. Archana Hingorani (Director Identification No. 00028037) was re-appointed as an Independent, Non-Executive Director for a second term of five (5) consecutive years, commenced from April 1, 2024 up to March 31, 2029. Her re-appointment was approved by the Members through Postal Ballot on March 8, 2024.

Mr. Hari Singudasu was appointed as Chief Financial Officer of the Company effective January 1, 2024. He has been associated with the Company for more than two decades and since then held various roles within the organization.

**Key Managerial Personnel**

Pursuant to Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2024 and May 7, 2024 are as follows:

| Name | Designation |
|---|---|
| Mr. B. Santhanam | Managing Director |
| Mr. Krishna Prasad | Executive, Whole-Time Director *(retired effective May 6, 2024)* |
| Mr. Venugopal Shanbhag | Executive Director *(appointed effective May 7, 2024)* |
| Mr. Deepak Chindarkar | Chief Financial Officer *(retired with effect from December 31, 2023)* |
| Mr. Hari Singudasu | Chief Financial Officer *(appointed effective January 1, 2024)* |
| 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 familiarisation programme is to acquaint the Independent Directors with the Company's business model and the industry in which it operates. Details of the familiarisation programme are accessible on the Company's website, www.grindwellnorton.co.in/investor-information>Corporate Governance>Familiarisation Programme for Independent Directors. Furthermore, the Independent Directors are periodically briefed on the latest developments in the Company and its operations.

**NUMBER OF MEETINGS OF THE BOARD**

The Board meets at regular intervals to review the Company's businesses and to discuss strategy and plans. A tentative annual calendar of meetings is circulated to the Directors in advance to enable them to plan their schedule and to ensure effective participation. During the year, six (6) board meetings and one (1) meeting of Independent Directors were held. The maximum interval between the board meetings did not exceed the period stipulated under the Act and the Listing Regulations.

**COMMITTEES OF THE BOARD**

The Board has constituted or reconstituted its committees in compliance with the Act and Regulation 18 to 21 of the Listing Regulations during the year. The Committees currently in place are the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The Corporate Governance Report provides information about the Committees, their composition, meetings and other relevant details.

**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, 2024, 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, 2024, and of the profit of the Company for the year ended on that date;

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

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

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

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

With reference to the point number (v), the Board believes that the Company has sound Internal Financial Controls ("IFC") commensurate with the nature and size of its business. However, business is dynamic and the 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 established a mechanism to consistently detect such deficiencies and implement updated or enhanced controls wherever the potential impact of such gaps on the Company's operations is significant.

**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 Policy for Appointment of Director, Key Managerial Personnel ("KMP") and Senior Management Appointment Criteria, Performance Evaluation and Removal, which is annexed as **Annexure 3** to this Report and is also accessible on the Company's website at www.grindwellnorton.co.in/investor-information>Policies.

**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 was assessed by the Nomination and Remuneration Committee and the Board. In addition, the Independent Directors conducted an evaluation of the performance of Non-Independent Directors, Chairperson, and the Board as a whole. The Board of Directors also appraised the performance of the Independent Directors, their fulfillment of independence criteria specified by the Act and Listing Regulations, and well as their independence from 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/investor-information>Policies.

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")**

Your Company believes that its primary objective is to cater to the requirement of its customers, while simultaneously create job opportunities, providing livelihood and income for all its stakeholders (including suppliers, vendors, service providers, employees, lenders, shareholders etc.). In addition, it aims to contribute to the government's revenue. According to your Company's belief, meeting its obligations to society entails pursuing its main objective while upholding the highest standards of corporate governance and ethical conduct in its business operations. Against the backdrop of this belief, your Company is committed to executing the objectives outlined 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, Corporate Social Responsibility Committee of the Board, having an Independent Chair, has been constituted to monitor the CSR policy and programs. During the year, the Company has spent ₹7.80 crores towards CSR activities, which are in line with the CSR policy of the Company.

**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 risk management processes across the Company. The Company ensures 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 to 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. During the year, the Company received two (2) complaints, and both of which were investigated and duly disposed of. The Whistle Blower Policy is accessible on the website of the Company, www.grindwellnorton.co.in/investor-information>Policies.

**AUDITORS**

**Statutory Auditors**

M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W / W100166) were appointed as Statutory Auditors of your Company at the 72nd AGM of the Company held on July 29, 2022, till the conclusion of the 77th AGM of the Company. The Statutory Auditors confirmed they are not disqualified from continuing as Auditors of the Company.

**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 ended March 31, 2024. 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 ₹3,25,000/- (Rupees three lakhs twenty five thousand only) plus applicable taxes and out of pocket expenses at actuals payable to the Cost Auditor for the financial year ending March 31, 2025. 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.

**Secretarial Auditor**

In accordance with Section 204 of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had re-appointed M/s. Parikh & Associates, Company Secretaries (Peer Review No.1129/2021), a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2024. The Secretarial Audit Report for the financial year ended March 31, 2024, in Form No. MR-3 is set out in **Annexure 6** of this Report. The Board has also re-appointed M/s. Parikh & Associates, Company Secretaries as Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year 2024-25.

**Comments on Auditors' Report**

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Kalyaniwalla & Mistry LLP, Statutory Auditors, in their Auditors' Report, by M/s. Parikh & Associates, Secretarial Auditor, in their Secretarial Audit Report and by M/s. Rao, Murthy & Associates, Cost Accountants, in their Cost Audit Report. The Auditors have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY**

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.

**ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended, the Annual Return as on March 31, 2024 is accessible on the Company's website, www.grindwellnorton.co.in/investor-information>Annual Reports.

**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 and Sustainability 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 accessible on the Company's website, www.grindwellnorton.co.in/investor-information>Policies.

**SECRETARIAL STANDARDS**

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 Foreign Exchange Management Act, 1999.

**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 unwavering support and collaboration of the employees and bankers, and the loyalty of the large family of the Company's dealers, suppliers and esteemed shareholders.

For and on behalf of the Board of Directors

**KEKI ELAVIA**
Chairman
DIN 00003940

**B. SANTHANAM**
Managing Director
DIN 00494806

Mumbai, May 6, 2024

# 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

- Raw material indigenization, product cost reduction.
- New product development in flap wheels, paper products, brick for blast furnace and scrap melting for the foundry.

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

Abrasives: Bonded (including Thin Wheels)
Coated (including Non-woven)
Super Abrasives

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

- Improved products for Automotive & Food Processing industry.
- Localization of critical Raw Materials to mitigate global supply chain challenges.
- Higher performance products in engineered, retail and fabrication markets.

**3. Projects on conservation of energy:**

- Installation of Variable Frequency Drives.
- Clean room - Energy Conservation project which will reduce $CO_2$ emission.
- Online Content Management System ("CMS") Sensors installed in Motor and gearbox.
- High KV motors replaced with energy efficient motors.

**4. Future plans of action:**

Technology adoption from R&D centres and other Saint-Gobain plants in identified priority areas, for the development of new and improved products.

- Reduction in heat loss from ovens.
- Sustainability initiative to reduce carbon emission - conversion of Diesel Generators into Natural Gas.
- Reduction in Water consumption.
- Reduction of power consumption by replacing old motors with energy efficient motors.

**5. Expenditure on R&D for the year ended March 31, 2024:**

| | | (₹ crores) |
|---|---|---|
| (a) | Capital | - |
| (b) | Recurring | 3.69 |
| (c) | Total | 3.69 |
| (d) | Total R&D expenditure as % of Revenue from Operations | 0.27% |

**(C) Foreign exchange earnings and outgo:**

Total earnings in foreign exchange for the financial year ended March 31, 2024 was ₹433.38 crores and the total outflow was ₹738.08 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.**

1. Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2023-24 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, 2024 (₹ in lakhs) | % of increase in remuneration in the financial year ended March 31, 2024 | Ratio of remuneration of each director to the median remuneration of employees |
|---|---|---|---|---|
| 1. | Mr. Keki Elavia<br>Chairman<br>Non-Executive, Independent Director | 27.20 | 5.84% | 4.27 |
| 2. | Dr. Archana Hingorani<br>Non-Executive, Independent Director | 27.50 | 7.00% | 4.31 |
| 3. | Mr. Subodh Nadkarni<br>Non-Executive, Independent Director | 27.80 | 8.17% | 4.36 |
| 4. | Mr. Aakil Mahajan<br>Promoter, Non-Executive Director | 43.00 | 3.61% | 6.74 |
| 5. | Mr. B. Santhanam<br>Managing Director | 202.74 | 9.99% | 31.79 |
| 6. | Mr. Krishna Prasad@<br>Executive Director | 426.52 | 5.41% | 66.89 |
| 7. | Mr. Deepak Chindarkar*<br>Chief Financial Officer | 420.76 | Not Applicable | Not Applicable |
| 8. | Mr. K. Visweswaran<br>Company Secretary | 170.20 | 17.64% | Not Applicable |
| 9. | Mr. Hari Singudasu^<br>Chief Financial Officer | Not Applicable | Not Applicable | Not Applicable |

@ Retired as a Whole-Time Director of the Company effective May 6, 2024.

* Retired as a Chief Financial Officer of the Company with effect from December 31, 2023, the above remuneration includes retiral benefits, the percentage of increase in renumeration is not comparable as remuneration was paid for the part of the year.

^Appointed as a Chief Financial Officer of the Company effective January 1, 2024, the percentage of increase in remuneration is not comparable as remuneration was paid for the part of the year, please refer Annexure 2(B) for his remuneration details.

2. The percentage increase in the remuneration of median employee is 9.46%.
3. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 10.1%. The average increase made in the salaries of Key Managerial Personnel in the financial year was 10%, 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.
4. The number of permanent employees on the rolls of the Company as on March 31, 2024: 2,524.
5. 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.
6. 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 (Month & Year) | Last Employment | Total Experience (in years) |
|---|---|---|---|---|---|---|---|
| **Employed throughout the year** | | | | | | | |
| Mr. Krishna Prasad@ | 62 | Vice President, Ceramics & Plastics and Corporate Services | 426.52 | B.Sc. Engg, PGDM (IIM) | May 1990 | The Fertilisers and Chemicals Travancore Limited | 38 |
| Mr. Hari Singudasu^ | 56 | Vice President, Abrasives | 286.87 | CWA, PGDBM-Management, Diploma - Finance | January 1998 | Larsen & Toubro Limited | 35 |
| Mr. B. Santhanam | 67 | Managing Director | 202.74 | B. Tech in Civil Engg. (IIT), PGDBM (IIM) | April 2020 | None | 44 |
| Mr. K. Visweswaran | 54 | Company Secretary | 170.20 | CA, CS, B.Sc. | October 1997 | BPL Refrigeration Limited | 31 |
| Mr. Amit Koul | 50 | General Manager - Sales & Marketing, Abrasives | 151.52 | BE in Mech. Engg. | November 2000 | KSB Pumps Limited | 28 |
| Mr. Ritesh Patterson | 53 | General Manager-Performance Plastics | 138.74 | BE in Mech. Engg, PGDM - Marketing | July 1993 | None | 31 |
| Mr. Vidosh Sarup | 50 | General Manager - PCR India | 137.46 | MSC - Engineering Technology, BE Mechanical | August 1997 | None | 26 |
| Mr. Anand Bhushan | 48 | Chief Operating Officer-INDEC | 129.28 | BE Chemical | May 2022 | Capgemini India | 24 |
| Ms. Anwesa Sen | 50 | Head - Human Resources | 120.43 | MSC, MBA-Human Resources | September 2017 | Geometric Limited | 22 |
| Mr. K. S. Gopalakrishnan | 56 | General Manager - Coated & Super Abrasives | 115.01 | BE Mechanical | June 1990 | None | 34 |
| **Employed part of the year** | | | | | | | |
| Mr. Deepak Chindarkar* | 60 | Vice President, Finance & IT | 420.76 | B. Tech, CWA, MBA | June 1987 | None | 37 |

@Retired as a Whole-Time Director of the Company effective May 6, 2024.

^Appointed as a Chief Financial Officer of the Company effective January 1, 2024.

*Retired as a Chief Financial Officer of the Company with effect from December 31, 2023.

**Notes**:

1. Total remuneration includes salary, performance based incentive, allowances, rent paid for providing accommodation, leave pay, group and accident insurance premium, Company's contribution to provident, superannuation and gratuity funds and also the monetary value of other perquisites.
2. All the above employees are employed on contractual basis.
3. Experience includes number of years of service elsewhere, if applicable.
4. None of the employees are related to any Director of the Company.
5. 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

## POLICY FOR APPOINTMENT OF DIRECTOR, KEY MANAGERIAL PERSONNEL ("KMP") AND SENIOR MANAGEMENT APPOINTMENT CRITERIA, PERFORMANCE EVALUATION AND REMOVAL:

**Appointment Criteria, Performance Evaluation and Removal**

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

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.

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

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).

**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/investor-information>Policies.

**2. Composition of CSR Committee:**

| Sr. No. | Name | Category | Number of meetings during the year 2023-24 | |
|---|---|---|---|---|
| | | | Held | Attended |
| 1. | Mr. Keki Elavia (Chairman) | Independent, Non-Executive | 1 | 1 |
| 2. | Mr. B. Santhanam | Executive | 1 | 1 |
| 3. | Mr. David Eric Molho | Non-Executive | 1 | 0 |

**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 - www.grindwellnorton.co.in/investor-information>Corporate governance>Board and Committees

CSR Policy and CSR project - www.grindwellnorton.co.in/investor-information>Policies

**Details of CSR amount spent against other than ongoing projects for the financial year:**

(₹ lakhs)

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| Sr. 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 (in ₹) | Mode of Implementation Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | Name | CSR Registration Number |
| 1. | Tree plantation initiative for a sustainable environment | (i) | Yes | Maharashtra | Raigad | 2.01 | No | - | - |
| 2. | Providing access to safe drinking water | (iv) | Yes | Maharashtra | Raigad | 3.00 | No | - | - |

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| Sr. 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 (in ₹) | Mode of Implementation Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | Name | CSR Registration Number |
| 3. | Promoting education among children, special education and employment enhancing vocation skills to women and the differently abled. | (ii) | Yes | Andhra Pradesh; Gujarat; Karnataka; Maharashtra | Tirupati; Vadodara; Bagalkote, Bengaluru; Amravati, Mumbai, Nashik, Raigad. | 763.10 | No | - | - |
| 4. | | | Yes | Himachal Pradesh | Solan | 12.10 | Yes | - | - |
| | **TOTAL** | | | | | **780.21** | | | |

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

(a) Akansha works to empower 477 students from underserved backgrounds by providing access to excellent high quality education and to enable holistic development.

(b) Aseema Foundation worked to provide high quality teaching-learning engagements, drive learning outcomes in the classroom enabling to develop the social, emotional and physical well-being of 673 students.

(c) Parikrama efforts to provide quality education, comprehensive healthcare, robust nutrition and family care in Parikrama learning center to 360 students.

(d) SOS works with the community to provide 191 abandoned children with quality education, including career counseling, psychosocial, counseling, sports and other extracurricular activities, thereby providing comprehensive support.

(e) United Way Mumbai supported 753 children aged between 3 to 5 and 1,500 parents in Tirupati and Uran to provide a conducive learning environment to children, thus helping children become school-ready by providing them with the necessary skills.

(f) Yash Charitable Trust trained 20 persons with intellectual and developmental disabilities, in baking and provided them with employment support services as well as support with therapeutic activities such as music therapy, Art based and Yoga based therapy, etc.

(g) Helen Keller Institute for Deaf & Deafblind helped to train 24 trainers to maintain standards so that educational needs and support to persons with disabilities are ensured.

(h) Pratham Trust engaged with 1,600 children and 750 parents with the objective of improving the learning levels of children, creating an education-conducive environment in Warud, Maharashtra with the help of the local community and with a community-oriented approach.

(i) Step UP India helped 5,212 children ranging from grades 3 to 7 in building foundational English skills and the confidence to learn independently as well as train 53 teachers to teach English language effectively.

(j) Mathru educated and empowered 50 differently abled children by providing basic academics, pre-vocational skills, therapy and medical services.

(k) Mukkamar Foundation assisted in training 1,091 adolescent girls in self-defense as well as increasing awareness on cyber sexual harassment, upskilling on presentation and facilitation skills, educating on POSH and POCSO acts.

(l) Shroff Foundation worked to empower 40 young females coming from rural backgrounds in sewing machine operator course and enable them to have a steady living income.

(m) Akshara Foundation trained 1,423 teachers in efficient mathematics teaching which impacted 47,400 children in grades 5 to 7 of Bagalkot district in karnataka to enhance grade appropriate proficiency in Mathematics learning while facilitating panchayat level math contests to improve Children's interest in Maths. The funds majorly are used for training of teachers, procurement of learning materials and monitoring of the curriculum.

(n) Maitribodh initiated Project Saheli, which is a women-led sanitary pad manufacturing and distribution initiative for rural & underprivileged women of India. As of now 4 women are employed in the manufacturing process and women from 13 villages from Karjat are benefitted through this initiative.

**4. Provide the executive summary along with web-link(s) of Impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable**:

Not Applicable.

**5.** (a) Average net profit of the Company as per section 135(5): ₹39,343.46 lakhs

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹786.87 lakhs

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set off for the financial year, if any: ₹38.87 lakhs

(e) Total CSR obligation for the financial year (5b+5c-5d): ₹748.00 lakhs

**6.** (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹780.21 lakhs

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the financial year (6a+6b+6c): ₹780.21 lakhs

(e) CSR amount spent or unspent for the financial year: Not Applicable

(₹ lakhs)

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | 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 |
| 780.21 | NA | - | - | NA | - |

(f) Excess amount for set off, if any:

(₹ lakhs)

| Sr. No. | Particulars | Amount |
|---|---|---|
| (i) | Two percent of average net profit of the Company as per section 135(5) | 748.00* |
| (ii) | Total amount spent for the financial year | 780.21 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 32.21 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 32.21 |

* Net of excess contribution of ₹38.87 lakhs from previous years is set-off in the current financial year.

**7. Details of Unspent CSR amount for the preceding three financial years:**

(₹ lakhs)

| Sr. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135(6) (in ₹) | Balance Amount in Unspent CSR Account section 135(6) (in ₹) | Amount spent in the Financial Year (in ₹) | 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 (in ₹) | Deficiency, if any |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount (in ₹) | Date of transfer | | |
| NA | | | | | | | | |

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

| Sr. No. | Short particulars of the property or asset(s) (including complete address and location of the property) | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | |
|---|---|---|---|---|---|---|---|
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| NA | | | | | | | |

**9. 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
DIN 00494806

**HARI SINGUDASU**
Chief Financial Officer

**KEKI ELAVIA**
Chairman
DIN 00003940

May 6, 2024

# 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 utlisation 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, 2024

(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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 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, 2024 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 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 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, 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 specifically applicable 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 represented by the company, the decisions at the Board Meetings were taken unanimously/with requisite majority.

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: F008331E000265049
PR No: 1129/2021

Mumbai, May 6, 2024

*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

**MITESH DHABLIWALA**
Partner
FCS No: 8331 CP No: 9511
UDIN: F008331E000265049
PR No: 1129/2021

Mumbai, May 6, 2024

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**General Review:**

Grindwell Norton Limited ("GNO") is one of the subsidiaries of Compagnie de Saint-Gobain (Saint-Gobain), a transnational group with its headquarters in Paris and with sales of Euro 47.90 billion in 2023. Saint-Gobain has organised its businesses into two broad areas: Construction or Building related businesses focused on serving regional markets and High-Performance Solutions ("HPS") catering to the global market. GNO's businesses are part of the HPS Sector. Within GNO, the businesses are divided into two major segments.

1. Abrasives
2. Ceramics & Plastics

**Business environment:**

India's current growth continues to be resilient despite some signs of moderation in growth. The overall growth remains robust and is estimated to be between 7% to 7.3% for the full year. The Index for Industrial Production ("IIP") grew by 6.1% over 2022-23 and the growth was seen across the sectors. The headwinds caused by the geo-political situations affected the export-oriented sectors. While the inflation was at stable level, Indian rupee witnessed lowest volatility among its emerging market peers and a few advanced economies against USD in 2023-24.

**Abrasives Segment Review**

GNO is the market leader in India and offers the widest range of cutting-edge Abrasive products to the Indian market. We cater to multiple market segments through our diverse and varied channels. While the vast majority of these products are made by GNO in India, some are sourced from other affiliate plants of Saint-Gobain or from third parties.

Abrasives business comprises of following sub-groups, also called as Sector of Activities (SOAs)
i) Bonded Abrasives ii) Thin Wheels iii) Coated Abrasives iv) Superabrasives and v) Construction products.

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.

Abrasives business in India has four manufacturing sites: Mora (near Mumbai), Bengaluru, Nagpur and Baddi (Himachal Pradesh). All the sites are certified under ISO 9001: 2015, ISO 14001:2015 and ISO 45001:2018. Besides, to augment its manufacturing capacity, GNO also has contract manufacturing and extensive sourcing arrangements both at domestic and international level.

In the last few years, we have started to offer a range of Sealants & Adhesives under the 'Tekbond' brand based on the successful acquisition of a few businesses by Saint-Gobain in the rest of the world.

**Products & Plants:**

Bonded abrasives, generally available in the form of wheels and other shapes such as Segments, Sticks & Cones, etc. are used for various precision applications such as OD grinding, ID grinding, Surface grinding, Face grinding, Lapping, Honing, Super-finishing, Thread grinding, Fluting etc. They are also used in rough applications such as Snagging, Burr removal and Off-hand grinding. Bonded Abrasives are used by a variety of Industries like Steel, Bearings, Auto Ancillaries, Auto Original Equipment Manufacturers ("OEMs"), Foundries, Cutting Tools, Needle, Razor, Food Processing, Aerospace and General Engineering. The variety of products is large and consists of both Made-to-Order and Made-to-stock 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, Construction, Foundry and General Engineering. With the increasing affordability of Power Tools, usage of TWs is growing significantly.

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, are used for getting the desired high quality surface finish for metals, woods and other composites. Non-woven products are also used for consumer applications like utensil cleaning, floor cleaning etc as well.

Superabrasives are made of Diamond (synthetic or natural) or Cubic Boron Nitride and are used in precision applications in Auto, Bearing, Steel, Solar, Electronics and many similar industries.

**Industry:**

The Abrasives industry in India currently has two major players offering a full range of Abrasives products, one of which is GNO. GNO is the market leader in several products-market segments of Abrasives and has deep presence across geographies and channels. Over the years, and due to the growth of the Indian market, we have seen many global players establishing their presence in India. We also see power tool players and local traders importing products in their brands from China.

Imports from China are predominantly in the power-tools accessory range and cater to the low and mid-tier market segments. In the last few years, we have also seen Paint, Adhesives and players from other allied industries also starting to participate in select Abrasives range.

While the overall abrasive Industry is becoming competitive due to the Chinese influx, this is also helping to grow the overall market as many manual applications are moving to power tools. Also, major players like GNO are able to differentiate due to deep customer connect, ability to customize solutions and also due to strong brand equity, built over decades.

The Key Success Factors for Abrasives in India are; range, loyal distribution, reach, high level of technical competence to work on specific solutions for different customers, good cost position, agility in offering new products & solutions, reliable service and quality and innovation.

**Development & Outlook:**

Saint-Gobain is a major player worldwide in Abrasives. It has a strong product portfolio with Centres of Excellence, footprint in several countries for manufacturing and R&D centres located in different parts of the world to cater to both the local and global needs in terms of products, manufacturing process etc. Besides, the Ceramic Materials Division of Saint-Gobain develops high end Abrasive Grains.

GNO benefits from being a part of such an organization, in terms of access to all developments in products and process technology.

2023-24 has been a year of moderate growth in the industry. Core Industries did reasonably well, however, exports-oriented segments had a big impact due to the ongoing slow-down in the West.

It was a good year in terms of stability in supply chains with costs coming down. However, due to moderate demand, we saw pressure on prices, especially for products originating from China.

In our core industries, we saw customer optimism and capacity addition. At the same time, there are newer markets like Railways, Defence, Solar, Electronics, where we expect the volumes to grow significantly in the next few years.

From GNO point of view, we have strengthened our position both in “core markets” as well as “new avenues”. We have strengthened our teams in Sales, R&D and product development to fast track the growth in core and technical businesses. On retail side, we have worked on cost savings, through operational efficiencies and purchase savings. This will help us to compete with the Chinese imports and other new entrants in the market.

**Risks & Concerns:**

Overall, there are no major risks and concerns. There can be some minor fluctuations in growth for certain segments, however, with the new avenues adding, we feel the market will remain positive in near future.

With India being one of the fastest growing economies in the world, we see a lot of global players taking aggressive position in India. We will have to work on many cost-cutting initiatives to not lose any space to competition.

**(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. This broad-based nature of Abrasives business in a way protects it from the volatility of any particular segment.

GNO, over last few years has focused on growing the non-engineering channels and also diversifying into adjacency products. We have also increased efforts to grow exports. This in a way, should partially insulate us from the ups and downs of specific market segments in India.

**(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 in India has two major players and many other small, mid-size players. In the last few years, we have seen many Paint, Adhesives and similar companies entering the Abrasives market. With their deep distribution and aggressive prices, they have been able to penetrate the market in a short period of time. On the other hand, imports from China have grown over the period of time. We see organized players in power-tools segment and local traders importing from China in their own brands. High-end European and Japanese players continue to work in specific niches. They operate through their subsidiaries, distributors or agents. 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.

**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, Automotive Polymer Solutions, Seals, Tubing & Hoses, Single Use Bags and Assemblies, Tape Solutions and Performance Films. The major markets addressed are Life Sciences, Automotive, Construction, Energy, Oil and Gas and General Industrial. GNO has a plant for ENC and LS products situated at Bengaluru. This plant is certified under ISO 9001: 2015, ISO 14001:2015 and ISO 45001:2018.

**Development & Outlook:**

The major growth drivers are: (a) New product development and new customer /market conversions (b) Success in new applications development (c) Broad basing of existing applications and markets (d) Specification driven approvals at customers in Life Sciences and Automotive market segments. 2023-24 was a challenging year due to a drop in the market potential of Life Sciences business in domestic and export markets. On the other hand, Bearings segment of Engineered Components had a good year with sales increase to automotive market. Tape Solutions business gained volumes in all segments of the business, i.e., Automotive, Electric Vehicle ("EV") and Construction. Strong business conversion in battery pack manufacturers supported by demand pick up in EV automotive customers has led to a very good year for Tape Solutions business. Seals business had muted volumes on account of a sluggish Energy market environment.

Looking ahead, the outlook for most of the businesses is positive with a favorable demand scenario in most of the markets. The Life Sciences business continues to have a muted demand outlook on the domestic front and export markets. However, with local production of Bags there is a huge new business opportunity available for conversion. With Automotive demand expected to continue to do well in the current year, Bearings and Composites businesses too have a good outlook in the automotive market segments. Electric Vehicle Battery packs promises to be a significant growth driver for Tapes Solution business in 2024-25 with good volume projections coming from all local OEMs. The main aim of the PPL business in 2024-25 would be to strengthen its position in existing markets, while accelerating growth in new markets in the industrial, Life Sciences and construction segments. 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, Life Sciences, Industrial and Oil & Gas is a major risk due to the macro environment uncertainty in the short term. EV adoption pace in the coming year with withdrawal of subsidies could lead to lower growth rates in this customer segments. 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 is import-intensive.

**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 includes "dry ramming masses" and a few specialized "castables". PCR Business offers comprehensive solutions, based on deep expertise acquired over the years, in the 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 & Bengaluru 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 (Aluminium, Copper, Zinc, etc.), Secondary Steel, Secondary Iron, Secondary Non-Ferrous (Aluminium, Copper), Petrochemicals, Waste to Energy Systems, etc. PCR Ceramic products are used in applications in industry segments like Sanitaryware, Tableware, Ballistic Armor Protection, Wear Resistance Systems, etc.

**Development & Outlook:**

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, Armor, Iron & Steel, and Foundry segments in export markets. Operating profit grew substantially, mainly due to higher sales volume, improved sales realisation and continued improvement in manufacturing efficiencies. GNO exited the joint venture with Shinagawa Refractories Co Ltd, Japan in November 2023. However, the business for Tap Hole Clay will be carried out by GNO with technical support from Shinagawa Refractories Co Ltd Japan under Royalty arrangement.

The outlook for 2024-25 is positive on account of the identified market opportunities but concerns, due to slowing Indian and global economy and supply chain disruption brought on by different economic & geopolitical circumstances.

PCR has entered into a definitive joint venture agreement with Advanced Synthetic Minerals Private Limited (“ASMPL”), a producer of White Fused Alumina (“WFA”) in Gujarat with 49% equity shareholding. This investment will ensure the supply security of White Fused Alumina for the business. The fund infused by GNO will be used to augment and increase the capacities of ASMPL to cater to growing demand of WFA for PCR as well as outside market.

**Significant changes in Key Financial Ratios along with detailed explanation:**

The Debt-Equity Ratio of the Company has risen to 140% as a result of availing part of the sanctioned term loan during the financial year ended March 31, 2024.

**Risks & Concerns:**

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.

**SILICON CARBIDE (“SiC”)**

**Products & Plants:**

Silicon Carbide grains are used primarily as raw material in the manufacture of Abrasives, Refractories, Iron Foundries 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. GNO is pioneered in providing consistent quality, reliable service with shorter lead time, which becomes the strength of the Company to compete with imports.

**Industry:**

In the domestic market, there are three main players (including GNO) in the SiC business. 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. SiC is experiencing annual growth in the domestic market, driven by the increasing steel production in India. The demand from the steel industry will continue to fuel the growth of SiC in the country.

**Development & Outlook:**

Price of SiC products saw a decline during the year after rising to historical levels in the previous year. The drop in sales prices was at a much faster pace than the cost drop leading to drop in Operating Margins.

On the supply side, both the sites increased their output compared to the previous year. After the shutdown of the APGPCL operation, GNO - Tirupati Plant moved to 100% grid power and continued to operate with grid energy since then. With the overall increase in output from both sites, we were able to grow volumes in this financial year thereby improving our supply in the marketplace.

Looking ahead, the focus in 2024-25 will be on maximizing supply from both manufacturing locations and to continue focus on the price and cost management.

**Risks & Concerns:**

With product prices continuing to be under pressure, mainly driven by product prices from China, the Input cost pressure continues to affect us. While recently we have seen some softening of input costs, this is still not sufficient given the reduction in the selling prices we continue to witness. This needs a very close management.

**Digital 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 650 employees. 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.

**Risks & Concerns:**

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:**

The Company's primary focus is to provide a fair and inclusive work environment that fosters innovation for building a more sustainable world, inspires high performance, and empowers employees to develop and grow. The Company strives to sustain its leadership position in the market and places a strong emphasis on developing careers through shared trust. The well-founded hiring and onboarding practices enables the Company to attract, grow and retain talent and enable them to unlock their infinite potential through exposure to diverse assignments and opportunities. An objective and transparent performance management process serves to encourage superior performance. To improve organizational efficiency, employee engagement, and skill development, the Company encourages participation in various training programs, e-learning courses, external events participation, benchmarking and best practices visits. At the end of the financial year, there were 2524 permanent employees on the rolls of the Company.

The Company will continue to invest in training people in Environment, Health and Safety and World Class Manufacturing and to provide an opportunity for employees to give their best and realize their full potential.

The Company firmly believes in enhancing the culture of creating values by taking initiatives in proactively designing and presenting innovative solutions that generate value for customers and end-users. The top priority is to maintain a smooth execution process, while emphasizing on high standards of quality and efficiency, as well as prioritizing environment, health and safety. This approach is rooted in the company's ethos of promoting togetherness, leveraging diversity, and nurturing personal and professional development.

**Overall Performance:**

The financial year witnessed increased economic activity. 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 5.1% and 3.3% respectively and consolidated revenue from operations and operating profit increased by 5.7% and 4.6% respectively. The consolidated operating profit margin (19.2% vs 19.4%) and net profit margin (14.3% vs 14.2%) were in line with previous year. Return on Net Worth (standalone) for the financial year ended March 31, 2024 at 18.9% is lower than that of the previous financial year (20.3%) and Return on Net Worth (consolidated) for the financial year ended March 31, 2024 at 18.6% is lower than that of the previous financial year (19.9%).

**Internal Control Systems:**

The Company has established an effective system of internal controls, with documented policies and procedures that encompass all financial and operational aspects. These controls are designed to reasonably ensure the reliability of financial reporting, monitor operations, and protect assets from unauthorized use or losses while ensuring compliance with regulations. The efficacy of the internal control systems is validated by Internal as well as the Statutory Auditors.

A well-established, independent and multi-disciplinary Internal Audit team operates in accordance with governance best practices. It reviews the compliances, internal controls, the efficiency and effectiveness of operations, and key process risks. Every quarter the significant audit finding, the corrective steps recommended, and their implementation status are presented to the Audit Committee.

The Risk Management Committee reviews business risk areas, encompassing operational, financial, strategic, regulatory, and other risks.

**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 Digital 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, 2024, the Company has nine Directors on its Board. Of the nine Directors, six are Non-Executive Directors and three are Independent, Non-Executive Directors of which one is a Woman Director.

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, 2024, have been made by the Directors. None of the Directors are related to each other. The Company has received a certificate from Parikh & Associates, Practicing 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 Act. In terms of Regulation 25(8) of 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 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 www.grindwellnorton.co.in/investor-information>Corporate Governance>Familiarisation Programme for Independent Directors.

**Meetings of the Board:**

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

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

May 6, 2023, August 14, 2023, October 19, 2023, November 8, 2023, December 22, 2023 and February 3, 2024.

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 3, 2024. 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, 2024 and details pertaining to the director appointed effective May 7, 2024, are given below:

| Name of the Director | Category | Number of Board Meeting during the year 2023-24 | | Whether attended last AGM held on August 14, 2023 | 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 | 6 | 6 | Yes | 5 | 1 | 4 | 6 |
| Dr. Archana Hingorani DIN 00028037 | Independent, Non-Executive | 6 | 6 | Yes | 6 | 2 | 3 | 6 |
| Mr. Subodh Nadkarni DIN 00145999 | Independent, Non-Executive | 6 | 6 | Yes | 3 | - | 2 | 3 |
| Mr. Aakil Mahajan DIN 09682529 | Promoter Non-Executive | 6 | 6 | Yes | 1 | - | - | - |
| Mr. David Eric Molho DIN 09326249 | Non-Executive | 6 | 2 | No | 1 | - | - | - |
| Mr. Jean-Claude Lasserre$ DIN 10082026 | Non-Executive | 6 | 1 | No | 1 | - | - | - |
| Mr. Krishna Prasad@ DIN 00130438 | Executive | 6 | 6 | Yes | 1 | 1 | - | 1 |
| Mr. Sreedhar Natarajan DIN 08320482 | Non-Executive | 6 | 6 | Yes | 1 | - | - | - |
| Mr. B. Santhanam (Managing Director) DIN 00494806 | Executive | 6 | 6 | Yes | 4 | 4 | 1 | 4 |
| Mr. Venugopal Shanbhag^ DIN 08888359 | Executive | NA | NA | NA | 1 | - | - | 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 and the Membership in committees include chairmanship in the committees.

$ Appointed as a Non-Executive Director of the Company with effect from May 24, 2023.

@ Retired as a Whole-Time Director of the Company with effect from May 6, 2024.

^ Appointed as an Additional Director and as a 'Whole-Time Director designated as Executive Director' of the Company effective from May 7, 2024.

| Name of the Director | Skills/Expertise/ Competencies | Category | Names of the Listed Entities where Directorship held |
|---|---|---|---|
| Mr. Keki Elavia (Chairman) DIN 00003940 | Finance and Accounts | • Independent, Non-Executive<br>• Independent, Non-Executive<br>• Independent, Non-Executive | • Britannia Industries Limited<br>• Grindwell Norton Limited<br>• The Bombay Dyeing and Manufacturing CompanyLimited |
| Dr. Archana Hingorani DIN 00028037 | Finance Markets | • Independent, Non-Executive<br>• Independent, Non-Executive<br>• Independent, Non-Executive<br>• Independent, Non-Executive<br>• Independent, Non-Executive | • 5paisa Capital Limited<br>• Grindwell Norton Limited<br>• Alembic Pharmaceuticals Limited<br>• Balaji Telefilms Limited<br>• The Phoenix Mills Limited |
| Mr. Subodh Nadkarni DIN 00145999 | Finance, Commerce, Project Management, Sales, Marketing, Human Resources Management and General Administration | • Independent, Non-Executive<br>• Independent, Non-Executive<br>• Independent, Non-Executive | • Galaxy Surfactants Limited<br>• Grindwell Norton Limited<br>• Goa Carbon Limited |
| Mr. Aakil Mahajan DIN 09682529 | Management | • Non-Executive | • Grindwell Norton Limited |
| Mr. David Eric Molho DIN 09326249 | General Management and various businesses of Saint-Gobain | • Non-Executive | • Grindwell Norton Limited |
| Mr. Jean-Claude Lasserre[$] DIN 10082026 | General Management and various businesses of Saint-Gobain | • Non-Executive | • Grindwell Norton Limited |
| Mr. Krishna Prasad[@] DIN 00130438 | General Management, various businesses of Saint-Gobain and Business Development | • Executive | • Grindwell Norton Limited |
| Mr. Sreedhar Natarajan DIN 08320482 | Finance and Management | • Non-Executive | • Grindwell Norton Limited |
| Mr. B. Santhanam (Managing Director) DIN 00494806 | Business Strategy, Engineering, General Management, Operations, Information Technology, Manufacturing, Marketing Management and Project Management | • Independent, Non-Executive<br>• Non-Executive<br>• Executive | • Titan Company Limited<br>• Saint-Gobain Sekurit India Limited<br>• Grindwell Norton Limited |
| Mr. Venugopal Shanbhag[^] DIN 08888359 | Management, Sales, Operations | • Executive | • Grindwell Norton Limited |

[$] Appointed as a Non-Executive Director of the Company with effect from May 24, 2023.

[@] Retired as a Whole-Time Director of the Company with effect from May 6, 2024.

[^] Appointed as an Additional Director and as a 'Whole-Time Director designated as Executive Director' of the Company effective from May 7, 2024.

The Board has also 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.

The Terms of Reference of the nomination and remuneration committee are in line with the Schedule II, Part C 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 right 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 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.
- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the company and its shareholders.
- 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.
- To carry out any other function as may be necessary for carrying out function as audit committee.

**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 2023-24 | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Subodh Nadkarni (Chairman) | Independent, Non-Executive | 6 | 6 |
| Mr. Keki Elavia | Independent, Non-Executive | 6 | 6 |
| Dr. Archana Hingorani | Independent, Non-Executive | 6 | 6 |
| Mr. B. Santhanam | Executive | 6 | 6 |

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 August 14, 2023.

**Meetings of the Audit Committee:**

During the year ended March 31, 2024, six audit committee meetings were held. The dates on which the said meetings were held are as follows:

May 6, 2023; August 14, 2023; October 19, 2023; November 8, 2023, December 22, 2023 and February 3, 2024.

Necessary quorum was present at 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.

The Terms of Reference of the nomination and remuneration committee are in line with the Schedule II, Part D of the Listing Regulations.

**Terms of Reference:**

- To formulate criteria for appointment of Directors, KMPs, employees and remuneration including criteria for determining qualification, positive attributes and independence of a Director.
- To formulate evaluation criteria for assessment of performance of Directors, Board and its committees.
- To formulate, review and recommend nomination and remuneration policy to the Board.
- To devise a policy on diversity of board of directors;
- 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 in accordance with the criteria laid down.
- To determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- The Committee to evaluate on every appointment of an independent director, the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

  a. use the services of an external agencies, if required;

  b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

  c consider the time commitments of the candidates.
- 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 2023-24 | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Subodh Nadkarni (Chairman) | Independent, Non-Executive | 3 | 3 |
| Mr. Keki Elavia | Independent, Non-Executive | 3 | 3 |
| Mr. David Eric Molho | Non-Executive | 3 | 1 |

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

During the year ended March 31, 2024, three meetings of the nomination and remuneration committee were held during the year on May 6, 2023, October 19, 2023, and February 3, 2024.

**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 material pecuniary relationships or transactions with the Company.

Mr. Aakil Mahajan is member of the Indian Promoters' Group, Mr. Sreedhar Natarajan, Mr. David Eric Molho and Mr. Jean-Claude Lasserre are employees of Saint-Gobain Group.

**Details of the Remuneration to the Directors for the financial year ended March 31, 2024 are given below:**

**Executive Directors:**

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

Mr. B. Santhanam: ₹2,02,74,000/-
Mr. Krishna Prasad: ₹4,26,52,040/-

**(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 shareholders of the Company, at the 72nd AGM held on July 29, 2022, 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, 2023. 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, during the year 2023-24, are as follows:

(₹ lakhs)

| Name | Sitting Fees | Profit Commission | Total |
|---|---|---|---|
| Mr. Keki Elavia | 7.20 | 20.00 | 27.20 |
| Dr. Archana Hingorani | 7.50 | 20.00 | 27.50 |
| Mr. Subodh Nadkarni | 7.80 | 20.00 | 27.80 |
| Mr. Aakil Mahajan | 3.00 | 40.00 | 43.00 |

**Equity Shares held by Non-Executive Directors:**

As on March 31, 2024, Mr. Aakil Mahajan holds 9,97,628 number of equity shares of the Company, which represents 0.90% of total paid-up capital of the Company. No other Non-Executive Director holds any equity shares in the Company.

## C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The stakeholder's 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 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 2023-24 | |
|---|---|---|---|
| | | Held | Attended |
| Dr. Archana Hingorani (Chairperson) | Independent, Non-Executive | 2 | 2 |
| Mr. B. Santhanam | Executive | 2 | 2 |
| Mr. Krishna Prasad@ | Executive | 2 | 2 |
| Mr. Venugopal Shanbhag^ | Executive | NA | NA |

@ Ceased to be a member with effect from May 6, 2024.

^ Appointed as a member effective from May 7, 2024.

**Meetings of Stakeholders Relationship Committee:**

During the year ended March 31, 2024, two meetings of the stakeholders relationship committee were held i.e. on August 14, 2023 and February 3, 2024.

Necessary quorum was present at all the meetings.

**Details of investor complaints received and redressed during the year 2023-24 are as follows:**

| Opening balance | Received during the year | Resolved during the year | Closing balance |
|---|---|---|---|
| 0 | 4 | 4 | 0 |

## D. CORPORATE SOCIAL RESPONSIBILITY ("CSR") COMMITTEE

The CSR committee is constituted in line with the provisions 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 2023-24 | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Keki Elavia (Chairman) | Independent, Non-Executive | 1 | 1 |
| Mr. B. Santhanam | Executive | 1 | 1 |
| Mr. David Eric Molho | Non-Executive | 1 | 0 |

**Meeting of the Corporate Social Responsibility Committee:**

One meeting of the CSR committee was held during the year on May 6, 2023.

## 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

The Terms of Reference of the risk management committee are in line with the Listing Regulations.

**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 2023-24 | |
|---|---|---|---|
| | | Held | Attended |
| Dr. Archana Hingorani (Chairperson) | Independent, Non-Executive | 2 | 2 |
| Mr. B. Santhanam | Executive | 2 | 2 |
| Mr. Subodh Nadkarni | Independent, Non-Executive | 2 | 2 |

**Meeting of the Risk Management Committee:**

Three meeting of the risk management committee were held during the year on May 6, 2023, August 14, 2023 and February 3, 2024.

## F. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held on February 3, 2024, 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.

**G. Senior management:**

Particulars of senior management including the changes therein since the close of the previous financial year:

| Name of Senior Management Personnel ("SMP") | Designation | Changes if any, since the previous financial year (Yes / No) | Nature of change and effective date |
|---|---|---|---|
| Mr. Krishna Prasad[@] | Whole-Time Director | No | - |
| Mr. Deepak Chindarkar | Chief Financial Officer | Yes | Retired with effect from December 31, 2023. |
| Mr. Hari Singudasu | Chief Financial Officer | Yes | Appointed effective January 1, 2024. |
| Mr. Amit Koul | President Abrasives | Yes | Appointed effective January 1, 2024. |

[@] Retired as a Whole-Time Director of the Company with effect from May 6, 2024.

**4. GENERAL BODY MEETINGS**

**(a) Annual General Meetings:**

| Date and Time | Venue | Special Resolution Passed |
|---|---|---|
| July 28, 2021 at 3:00 p.m. IST | Held through Video Conferencing("VC")/ Other Audio Visual Means ("OAVM") | None |
| July 29, 2022 at 3:00 p.m. IST | Held through VC/OAVM | Yes<br>**Payment of Commission to Non-Whole Time Directors:** The Non-Whole-Time Directors (excluding the Directors who are nominees of Compagnie de Saint-Gobain or its subsidiaries) be paid commission to be divided amongst them in such a manner as the Board of Directors may from time to time determine based on the recommendation from the Nomination and Remuneration Committee of such sum not exceeding 1% of the net profi t 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. |
| August 14, 2023 at 3.00 p.m. IST | Held through VC/OAVM | None |

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

Special Resolution for re-appointment of Dr. Archana Niranjan Hingorani (Director Identification No. 00028037) as a Non-Executive, Independent Director of the Company as contained in a Notice to the Shareholders dated February 3, 2024 was approved by the members througha Postal Ballot. Mr. P. N. Parikh (Membership No. FCS 327, CP 1228) or failing him Mr. Mitesh Dhabliwala (Membership No. FCS 8331, CP 9511) and failing him Ms. Sarvari Shah (Membership No. FCS 9697, CP 11717) of 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 Resolution passed through Postal Ballot are as follows:

**Resolution No. 1**

**Description:** Special Resolution for Re-appointment of Dr. Archana Niranjan Hingorani (Director Identification No. 00028037) as a Non-Executive, Independent 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 against on Votes polled |
|---|---|---|---|---|
| Promoter and Promoter Group | 6,07,98,212 | - | 100.00 | - |
| Public Institutional holders | 2,19,19,431 | 23,97,960 | 90.14 | 9.86 |
| Public-Others | 1,28,549 | 1,00,519 | 56.12 | 43.88 |
| **Total** | **8,28,46,192** | **24,98,479** | **97.07** | **2.93** |

**(c) Procedure for Postal Ballot:**

The Company conducted the Postal Ballot in accordance with the provisions of section 108 and 110 of the Company's Act 2013 ('Act') read with Rule 20 and 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, 2024 along with the Explanatory Statement, through e-mail on February 6, 2024 to all the Members, whose names appear in the Register of Members/List of Beneficial Owners as received from Depositories as on Friday, February 2, 2024 (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 Thursday, February 8, 2024 (9:00 a.m. IST) and ended on Friday, March 8, 2024 (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 8, 2024. The voting results were submitted 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:**

Not Applicable.

**5. MEANS OF COMMUNICATION**

**(a) 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 Financial Express and Loksatta.

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.

**(b) Mergers and Amalgamation**

The details of Mergers and Amalgamation by the Company are available on 'Investor Information' page on the website of the Company at www.grindwellnorton.co.in/investor-information>Scheme of Amalgamation.

**(c) Stock Exchanges**

All price sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites.

**(d) Company's Website**

The Company's website contains details about the Company, the Board of Directors and a dedicated section for Investors wherein Annual Reports, quarterly and annual results, stock exchange filings, quarterly reports, and all statutory policies are available.

## 6. GENERAL SHAREHOLDERS' INFORMATION

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

Day & Date: Thursday, July 18, 2024

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 2024-25:

| | | | |
|---|---|---|---|
| (i) | First Quarter Results | : | July/August, 2024 |
| (ii) | Half-yearly Results | : | October/November, 2024 |
| (iii) | Third Quarter Results | : | January/February, 2025 |
| (iv) | Results for the year ending March 31, 2025 | : | April/May, 2025 |

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

Wednesday, July 10, 2024 to Thursday, July 18, 2024 (both days inclusive).

**(d) Date of payment of Dividend:**

The dividend, if approved by the Members, shall be paid/credited on or from Monday, July 22, 2024.

**(e) Listing on Stock Exchange(s):**

BSE Limited ("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.

National Stock Exchange of India Limited ("NSE"), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai 400051.

The annual listing fees of BSE and NSE have been paid for the year 2023-2024.

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

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

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

L26593MH1950PLC008163

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

| Month | BSE | | NSE | | S & P BSE Sensex | |
|---|---|---|---|---|---|---|
| | High (₹) | Low (₹) | High (₹) | Low (₹) | High | Low |
| April-23 | 1,942.15 | 1,802.10 | 1943.10 | 1801.10 | 61112.44 | 59106.44 |
| May-23 | 2,145.00 | 1,863.85 | 2139.80 | 1863.60 | 62969.13 | 61054.29 |
| June-23 | 2,323.00 | 2,045.00 | 2310.50 | 2047.80 | 64718.56 | 62428.54 |
| July-23 | 2,330.00 | 2,108.10 | 2330.10 | 2106.35 | 67571.90 | 65205.05 |
| August-23 | 2,494.55 | 2,163.70 | 2495.00 | 2165.80 | 66459.31 | 64831.41 |
| September-23 | 2,468.00 | 1,911.55 | 2314.40 | 1987.00 | 67838.63 | 65387.16 |
| October-23 | 2,222.00 | 1,960.80 | 2214.00 | 1950.00 | 66473.05 | 63148.15 |
| November-23 | 2,192.40 | 2,051.25 | 2195.70 | 2052.00 | 66988.44 | 63591.33 |
| December-23 | 2,360.00 | 2,086.00 | 2365.00 | 2087.50 | 72410.38 | 67481.19 |
| January-24 | 2,465.00 | 2,211.25 | 2468.10 | 2209.55 | 73327.94 | 70370.55 |
| February-24 | 2,378.95 | 2,065.50 | 2449.00 | 2063.20 | 73158.24 | 71072.49 |
| March-24 | 2,155.75 | 1,850.05 | 2126.45 | 1875.20 | 74119.39 | 72012.05 |

**(i) Registrars and Transfer Agents ("RTA"):**

Link Intime India Private Limited
C-101, 1st Floor, 247, Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400083
Tel. No.: +91 810 811 8484
E-mail: csg-unit@linkintime.co.in
Website: https://linkintime.co.in
Documents will be accepted at the above address between 10.00 a.m. IST and 5.00 p.m. IST (Monday to Friday except bank holidays).

For the convenience of the shareholders, documents will also be accepted at the following other branches of RTA (Collection Centers):

- **New Delhi**
  Noble Heights, 1st Floor
  Plot No. NH-2, C-1 Block, LSC
  Near Savitri Market, Janakpuri
  New Delhi 110058
  Tel. No.: +91 11 4141 0592 / 93 / 94
  Email: delhi@linkintime.co.in

- **Kolkata**
  Vaishno Chamber
  5th Floor, Flat Nos. 502 & 503
  6, Brabourne Road
  Kolkata 700001
  Tel. No.: +91 33 4004 9728 / 33 4073 1698
  Email: kolkata@linkintime.co.in

- **Ahmedabad**
  5th Floor, 506 to 508
  Amarnath Business Centre-1 (ABC-1)
  Beside Gala Business Centre
  Nr. St. Xavier's College Corner, Off. C.G. Road
  Ellisbridge, Ahmedabad 380006
  Tel. No.: +91 79 2646 5179
  Email: ahmedabad@linkintime.co.in

- **Jamshedpur**
  Qtr. No. L-4/5,
  Main Road, Bistupur
  (Beside Chappan-Bhog Sweet Shop)
  Jamshedpur 831001
  Tel. No.: +91 657 2426 937
  Email: csg-unit@linkintime.co.in

- **Benguluru**
  C/o. Mr. D. Nagendra Rao
  "Vaghdevi" 543/A, 7th Main
  3rd Cross, Hanumanthnagar
  Bengaluru 560019
  Tel. No.: +91 80 2650 9004
  Email: csg-unit@linkintime.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 Linkintime are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

SEBI vide its Circular dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website www.grindwellnorton.co.in/investor-information>Shareholder Information>intimation to shareholders and on the website of the Company's RTA's at https://linkintime.co.in, It may be noted that any service request can be processed only after the folio is KYC Compliant.

**(k) Shareholding Pattern as on March 31, 2024:**

| Category | Number of Shareholders | Number of Shares | Percentage (%) |
|---|---|---|---|
| **Promoters:** | | | |
| Foreign | 2 | 5,68,28,000 | 51.33 |
| Indian | 9 | 74,26,259 | 6.71 |
| Insurance Companies and Banks | 12 | 7,56,381 | 0.68 |
| UTI and Mutual Funds | 100 | 1,65,19,040 | 14.92 |
| NRI, OCBs, FIIs and FPIs | 1,866 | 1,01,76,783 | 9.19 |
| Domestic Companies and Trusts | 606 | 40,69,367 | 3.68 |
| Residential Individuals and HUF | 46,497 | 1,47,80,443 | 13.35 |
| Investor Education and Protection Fund (IEPF) | 1 | 1,63,727 | 0.15 |
| **Total** | **49,093** | **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 |
|---|---|---|---|---|
| Up to 250 | 14,86,009 | 1.34 | 43,163 | 87.92 |
| 251 to 500 | 10,44,526 | 0.94 | 2,708 | 5.52 |
| 501 to 1000 | 14,44,865 | 1.31 | 1,871 | 3.81 |
| 1001 to 5000 | 20,75,893 | 1.87 | 978 | 1.99 |
| 5001 to 10000 | 7,98,077 | 0.72 | 111 | 0.23 |
| 10001 to 100000 | 54,43,607 | 4.92 | 169 | 0.34 |
| 100001 and above | 9,84,27,023 | 88.90 | 93 | 0.19 |
| **Total** | **11,07,20,000** | **100.00** | **49,093** | **100.00** |

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

99.49% of the paid-up capital has been dematerialised as on March 31, 2024.

**(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, 2024, 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 is appropriately hedged. GNO has well-defined and structured treasury operations, with the emphasis being on security. Please refer to Management Discussion and Analysis Report for details. 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 2023-24.

**(r) Fees to Statutory Auditors:**

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

(₹ lakhs)

| Particulars | Amount |
|---|---|
| Audit Fees | 47.50 |
| Tax Audit | 9.70 |
| Certification | 1.85 |
| Reimbursement of expenses | 2.21 |
| **Total** | **61.26** |

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

Complaint received during the year on sexual harassment was investigated and addressed in accordance with the established grievance redressal process, and was disposed of appropriately.

| | | |
|---|---|---|
| a. | number of complaints filed during the financial year | 1 |
| b. | number of complaints disposed of during the financial year | 1 |
| c. | number of complaints pending as on end of the financial year. | - |

**(t) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':**

Nil

**(u) Plant Locations:**

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

**(v) Address for correspondence:**

Grindwell Norton Limited
5th Level, Leela Business Park
Andheri-Kurla Road, Marol
Andheri (East), Mumbai 400059
Tel. No.: +91 22 4021 2121 ● 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 9188, 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 49 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: 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.

The Audit Committee periodically reviews compliance reports of all laws applicable to the Company and assess the steps taken by the Company to rectify instances of non-compliance, if any.

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

**(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.

(iii) The Company has complied with all the mandatory requirements under Listing Regulations.

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.

**(e) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.**

The Company has one subsidiary company i.e. Saint-Gobain Ceramic Materials Bhutan Private Limited, 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, www.grindwellnorton.co.in/investors>policies.

**(f) Policy for determining 'material' subsidiaries:**

The Company does not have any material subsidiary and, therefore no policy was required to be framed in this regard.

**(g) Disclosures with respect to demat suspense account/ unclaimed suspense account:**

Pursuant to Regulation 39 and Schedule V and VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has transferred unclaimed shares in its Unclaimed Suspense Account details of which are given below:

| Particulars | No. of Records | No. of Shareholders | No. of Equity Shares |
|---|---|---|---|
| Aggregate number of shareholders/records and the Outstanding Shares in the Unclaimed Suspense Account | 1 | 1 | 200 |
| Number of shareholders who approached listed entity for transfer of shares from suspense account during the year; | - | - | - |
| Number of shareholders to whom shares were transferred from suspense account during the year; | - | - | - |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; | 1 | 1 | 200 |
| The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. | 1 | 1 | 200 |

**(h) Disclosure of certain types of agreements binding Listed entities, If Applicable**

In accordance with clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations, the Company has not entered into any agreements that are binding.

**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

(e) U.P. Twiga Fiberglass Limited

**9. OTHER INFORMATION**

**(a) Acquisition/Sale:**

The Company acquired 49% equity stake in Advanced Synthetic Minerals Private Limited ('ASMPL') through execution of Share Purchase Agreement on January 17, 2024, the acquisition process of ASMPL was concluded at a Net consideration of ₹15 crores as of January 24, 2024.

The Company sold its 49% equity stake held in SG Shinagawa Refractories India Private Limited, Joint Venture through execution of Share Sale and Purchase Agreement with Shinagawa Refractories Co. Ltd., Japan ("SRC") the said sale was concluded on November 30, 2023 for a consideration of ₹8 crore, necessary intimation regarding the said acquisition/sale has been filed with the stock exchanges.

**(b) Merger/Amalgamation:**

The National Company Law Tribunal ("NCLT"), Mumbai bench had approved the Scheme of Merger by Absorption between PRS Permacel Private Limited ("Permacel"), wholly-owned subsidiary, and your Company under section 230-232 of the Companies Act, 2013 vide an order dated June 22, 2023. Pursuant to this order all the assets and liabilities of Permacel, were transferred and vested in your Company at fair value with effect from May 27,2022, being the appointed date.

**(c) 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 Chief Financial Officer ("CFO") have issued a certificate to the Board of Directors, for the financial year ended March 31, 2024.

**(d) 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, 2024.

For **Grindwell Norton Limited**

**B. SANTHANAM**
Managing Director
DIN 00494806

Mumbai, May 6, 2024

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**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, 2024, 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 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, 2024.

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

**MITESH DHABLIWALA**
Partner
FCS No: 8331 CP No: 9511

Mumbai, May 6, 2024

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

**SECTION A: GENERAL DISCLOSURES**

**I. Details of the listed entity:**

1. **Corporate Identity Number (CIN) of the Listed Entity:** L26593MH1950PLC008163
2. **Name of the Listed Entity:** Grindwell Norton Limited
3. **Year of incorporation:** 1950
4. **Registered office address:** 5th Level, Leela Business Park, Andheri-Kurla Road, Marol, Andheri (East), Mumbai 400059
5. **Corporate address:** As above
6. **E-mail:** sharecmpt.gno@saint-gobain.com
7. **Telephone:** +91 22 4021 2121
8. **Website:** www.grindwellnorton.co.in
9. **Financial year for which reporting is being done:** 2023-24
10. **Name of the Stock Exchange(s) where shares are listed:** BSE Limited and National Stock Exchange of India Limited
11. **Paid-up Capital:** ₹553,600,000/-
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:**

| | |
|---|---|
| Mr. Krishna Prasad, Executive Director<br>(ceased to be a Director w.e.f. May 6, 2024)<br>Tel. No.: +91 22 4021 2121<br>Email id: krishna.prasad@saint-gobain.com | Mr. Venugopal Shanbhag, Executive Director<br>(appointed as an Additional Director w.e.f. May 7, 2024)<br>Tel. No.: +91 22 4021 2121<br>Email id: venu.shanbhag@saint-gobain.com |

13. **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):**
    The disclosure under this report are for Grindwell Norton Limited on a standalone basis.

**II. Products/services**

14. **Details of business activities *(accounting for 90% of the turnover)***

| Sr. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1. | Manufacturing and Trading | Manufacturing and Trading of Abrasives, Performance Plastics and Refractory Products | 91% |

15. **Products/Services sold by the entity *(accounting for 90% of the entity's Turnover):***

| Sr. No. | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1. | Abrasives | 2399 | 51% |
| 2. | Performance Plastics | 2220 | 19% |
| 3. | Refractory Products (including SiC) | 2391 | 22% |

**III. Operations**

16. **Number of locations where plants and/or operations/offices of the entity are situated:**

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 7 | 10 | 17 |
| International | 0 | 0 | 0 |

**17. Markets served by the entity:**

**(a) Number of locations**

| Locations | Number |
|---|---|
| National (No. of States) | Pan India - 28 States - 4 Union Territories |
| International (No. of Countries) | 56 |

**(b) What is the contribution of exports as a percentage of the total turnover of the entity?**

16% (including services).

**(c) A brief on types of customers:**

Grindwell Norton Limited caters to both public and private sector customers in Steel, Auto and Auto Ancillary, Bearings, Construction, General Engineering, Aerospace, Life Sciences, Railway, Food processing, Automotive Aftermarket etc.

**IV. Employees**

**18. Details as at the end of financial year:**

**(a) Employees and workers (including differently abled):**

| Sr. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| **Employees** | | | | | | |
| 1. | Permanent (D) | 1790 | 1398 | 78% | 392 | 22% |
| 2. | Other than Permanent (E)* | 611 | 572 | 94% | 39 | 6% |
| 3. | **Total employees (D + E)** | **2401** | **1970** | **82%** | **431** | **18%** |
| **Workers** | | | | | | |
| 4. | Permanent (F) | 734 | 693 | 94% | 41 | 6% |
| 5. | Other than Permanent (G)* | 2105 | 2074 | 99% | 31 | 1% |
| 6. | **Total workers(F + G)** | **2839** | **2767** | **97%** | **72** | **3%** |

* Includes employees on third party payroll or contract labour

**(b) Differently abled Employees and workers:**

| Sr. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| **Differently Abled Employees** | | | | | | |
| 1. | Permanent (D) | 1790 | 0 | 0% | 0 | 0% |
| 2. | Other than Permanent (E) | 611 | 0 | 0% | 0 | 0% |
| 3. | **Total differently abled employees (D + E)** | **2401** | **0** | **0%** | **0** | **0%** |
| **Differently Abled Workers** | | | | | | |
| 4. | Permanent (F) | 734 | 0 | 0% | 0 | 0% |
| 5. | Other than permanent (G) | 2105 | 1 | 0.05% | 0 | 0% |
| 6. | **Total differently abled workers (F + G)** | **2839** | **1** | **0.04%** | **0** | **0%** |

**19. Participation/Inclusion/Representation of women:**

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B/A) |
| Board of Directors | 9 | 1 | 11.11% |
| Key Management Personnel | 4 | 0 | - |

**20. Turnover rate for permanent employees and workers** *(Disclose trends for the past 3 years*):

| | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Male** | **Female** | **Total** | **Male** | **Female** | **Total** | **Male** | **Female** | **Total** |
| Permanent Employees | 17% | 14% | **16%** | 17% | 16% | **17%** | 16% | 28% | **18%** |
| Permanent Workers | 7% | 14% | **7%** | 5% | 0% | **5%** | 7% | 0% | **7%** |

This calculation been done based on the average head count of previous two years.

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

**21. (a) Names of holding / subsidiary / associate companies / joint ventures:**

| Sr. No. | Name of the holding /subsidiary/ associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1. | Compagnie de Saint-Gobain ("CSG") direct holding through<br>a) Saint - Gobain Abrasives Inc holding in GNO - 26.77%<br>b) SPAFI-Societe De Participations Financieres holding in GNO - 24.56% | Holding | Not Applicable | No. CSG has their own Business Responsibility initiatives |
| 2. | Saint-Gobain Ceramic Materials Bhutan Private Limited | Subsidiary | 70.00% | Yes |
| 3. | Advanced Synthetic Minerals Private Limited | Joint Venture | 49.00% | No |
| 4. | Cleanwin Energy LLP | Associate | 27.27% | No |

During the year, the Company executed Share Sale and Purchase agreement ("Agreement") with Shinagawa Refractories Co Ltd (Japan), for sale of 49% equity shares held by the Company in SG Shinagawa Refractories India Private Limited ("SGSR") for a consideration of ₹8 crore. The closing conditions pertaining to the said Agreement were concluded on November 30, 2023 and SGSR ceased to be a Joint Venture of the Company as on that date.

## VI. CSR Details

**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013:** Yes

**(ii) Turnover:** ₹263,422.05 lakhs

**(iii) Net worth:** ₹205,104.60 lakhs

## VII. Transparency and Disclosures Compliances

### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | www.grindwellnorton.co.in/>Saint-Gobain's Community Live Follow us on Social Networks | - | - | - | - | - | - |
| Investors (other than shareholders) | Not applicable, as we don't have any investors other than the shareholders (e.g., preference shareholders or debenture holders) | | | | | | |
| Shareholders | www.grindwellnorton.co.in/investor-information>Shareholder Information | 4 | - | - | 8 | - | - |
| Employees and workers | www.grindwellnorton.co.in/investor-information>Policies | 3 | - | - | - | - | - |
| Customers | www.grindwellnorton.co.in/>Contact | - | - | - | - | - | - |
| Value Chain Partners | | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - |

### 24. Overview of the entity's material responsible business conduct issues

**Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:**

| Sr. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1. | Climate Protection | Opportunity | Reducing green house gas emissions, energy, use and mitigating the effects of long-term changes in the climate protection and its impact on the physical business operations and conservation of natural environment | - | Positive |
| 2. | Sustainable product design | Opportunity | Fostering a circular economy by addressing customer demands for more sustainable products and services | - | Positive |

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section describes the structures, policies and processes aligned to nine principles of business responsibility. These briefly are as follows:

P1 Business 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 interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 Businesses should respect and promote human rights.

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

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

P8 Businesses should support inclusive growth and equitable development.

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner has context menu has context menu.

| Sr. No. | Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | | |
| 1. | a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/ No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | b. Has the policy been approved by the Board? (Yes/No) | Yes | | | | | | | | |
| | c. Web Link of the Policies, if available | www.grindwellnorton.co.in/investor-information>Policies | | | | | | | | |
| 2. | Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. | Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4. | Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | Grindwell Norton Limited policies are in line with international standards and practices such as ISO 9001: 2015, ISO 14001:2015 and ISO 45001:2018, UNGC Guidelines, UN Human Rights Declaration and European Human Rights Convention; UNFCCC - United Nations Framework Convention on Climate Change, CEO Water Mandate, CPLC (carbon), ILO Principles, OECD Guidelines for Multinational Enterprises, UN Convention against Corruption, IFRS as issued by the IASB. | | | | | | | | |
| 5. | Specific commitments, goals and targets set by the entity with defined timelines, if any. | The Company is adopting the sustainable goals and targets set by the Saint-Gobain Group.<br>The commitment is connected to the Group's ambition to provide customers with solutions to help them decarbonize as well and to reduce its own environmental footprint.<br>The roadmap to net-zero incorporates new commitments through to 2050 in terms of reducing the direct and indirect $CO_2$ emissions, but also the emissions along its value chain. | | | | | | | | |
| 6. | Performance o the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | Based on the framework and guidelines set by the Saint-Gobain Group, the Company set the KPIs under various principles. The Company adheres to the framework and contributes towards the achievement of KPIs. | | | | | | | | |

| Sr. No. | Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Governance, leadership and oversight** | | | | | | | | | | |
| 7. | Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements *(listed entity has flexibility regarding the placement of this disclosure)* | | | | | | | | | |
| 8. | Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Mr. Krishna Prasad, Executive Director (ceased to be a Director w.e.f. May 6, 2024) DIN: 00130438<br>Mr. Venugopal Shanbhag, Executive Director (appointed as an Additional Director w.e.f. May 7, 2024) DIN: 08888359 | | | | | | | | |
| 9. | Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | The Executive Director and Managing Director are responsible for decision on all sustainability related issues. | | | | | | | | |

**10. Details of Review of NGRBCs by the Company:**

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | Yes | | | | | | | | | Annually | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | Yes | | | | | | | | | Quarterly | | | | | | | | |

**11.**

| Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No) If yes, provide name of the agency. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| | No | | | | | | | | |

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business (Yes/No) | Not Applicable | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason | | | | | | | | | |

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

**Essential Indicators**

**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

| Segment | Total number of training and awareness programmes held | Topics/ principles covered under the training and its impact | % age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 1 | The Board is familiarised of the principles of the NGRBC released by SEBI/MCA. | 100% |
| Key Managerial Personnel | 1 | All employees, workers and KMPs are required to undergo training on principle of conduct and action. Additionally, required to undergo the EHS and Risk prevention, Group Ethics and Compliance, Company culture, legally required trainings, personal effectiveness and technical and job specific competency training. | 97% |
| Employees other than BoD and KMPs | 6 | | |
| Workers | 30 | | 100% |

The Company sets aside a day every two years, known as “Principles Day”, to strengthen its commitment to the Principles of Conduct and Action that guides its operations.

**2. Details of fines / penalties /punishment/ award/ compounding fees / settlement amount paid in proceedings (by the entity or by directors /KMPs) with regulators/ law enforcement agencies / judicial institutions, in the financial year, in the following format:**

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on entity’s website):

| Monetary | | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | - | - | - | - | - |
| Settlement | - | - | - | - | - |
| Compounding fee | - | - | - | - | - |

| Non-Monetary | | | | |
|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | - | - | - | - |
| Punishment | - | - | - | - |

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:**

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|---|---|
| There were no cases during the year where monetary or non-monetary action has been appealed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. | |

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:**

   The anti-corruption and anti-bribery framework forms part of the Code of Conduct of the Company, which is accessible at www.grindwellnorton.co.in/commitments.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Directors | Nil | |
| KMPs | | |
| Employees | | |
| Workers | | |

6. **Details of complaints with regard to conflict of interest:**

| | FY 2023-24 | | FY 2022-23 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil | The Company makes certain that its employees declare and reaffirm their Conflict of Interest statements every year. | Nil | The Company makes certain that its employees declare and reaffirm their Conflict of Interest statements every year. |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | Nil | | Nil | |

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:**

   Not Applicable.

**Leadership Indicators**

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

| Total number of awareness programmes held | Topics / principles covered under the training | | | | | | | | | % age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | 100% of suppliers onboarded are covered through the Company's Principles of Conduct and Action and they also adhere to the Supplier Charter of the Company. |

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No): If Yes, provide details of the same:**

   Yes. GNO obtains a mandatory declaration from the members of its Board to ensure that the members are in compliance with Code of Conduct of the Company.

## PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

**Essential Indicators**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:**

(₹ crores)

| | FY 2023-24 | FY 2022-23 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | 3.69(100%) | 2.97(100%) | To enhance the environmental and social impact of its products, taking into account both global and local requirements. |
| Capex | Nil | Nil | |

2. **(a) Does the entity have procedures in place for sustainable sourcing?** (Yes/No) Yes

   **(b) If yes, what percentage of inputs were sourced sustainably?** 0.87%

   In order to conduct business with GNO, suppliers are required to adhere to the GNO's Supplier Charter. All major vendors are assessed through Sustainable Procurement audits. Moreover, the company receives 34% of its total energy consumption for its operations from green power, ensuring a sustainable energy source.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:**

   The production residues undergo segregation, classification, and recycling into the production process, while the hazardous wastes are disposed of in accordance with the hazardous waste management rules by authorized vendors and authorized Treatment Storage Disposal Facilities ("TSDF"). The Company has obtained Extended Producer's Responsibility ("EPR") registration and ensuring its proper recycling. Hazardous waste is incinerated or sent to authorized recyclers depending on its nature, with products like paint, oil or varnish - soaked cotton, oil - soaked sawdust, and oil filters being incinerated, while batteries such as pencil cell and while lead - acid batteries and used oil are recycled. Waste materials are appropriately labelled and disposed of in landfills/incinerated.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same:**

   The waste collection is in line with the targets specified by the Central Pollution Control Board ("CPCB") in the authorisation granted to GNO.

**Leadership Indicators**

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

| NIC Code | Name of Product/Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective/ Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/ No) If yes, provide the web-link. |
|---|---|---|---|---|---|
| GNO has not conducted Life Cycle Assessments. | | | | | |

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same:**

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---|---|---|
| Abrasives | Generation of Non Recoverable waste - Land fillable | Recovery, recycling and alternate use in other industries resulting in reduction of disposal by 11% in 2023 as compared to the previous year |

GNOs has not conducted Life Cycle Assessments but the Company drives towards achieving the Saint-Gobain Group sustainability roadmap based on Science Based Targets ("SBT").

3. **Percentage of recycled or reused input material to total material (by value) used in Products (for manufacturing industry) or providing services (for service industry):**

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2023-24 | FY 2022-23 |
| Consumption of externally sourced recycled raw materials (in tonnes) | 669 | 1284 |
| Recycled production residues rate [%] | 92.21% | 93.19% |

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

| | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastics (including packaging) | - | 690 | - | 250 | - | - |
| E-waste | - | - | 181 | - | - | - |
| Hazardous waste | - | - | 868 | - | - | 790 |
| Other waste | 5062 | - | - | 5450 | - | - |

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category:**

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---|---|
| Plastic for packaging | 100% |

## PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

### Essential Indicators

**1. (a) Details of measures for the well-being of employees:**

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | Paternity Benefits# | | | Day Care facilities* | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 1398 | 1398 | 100% | 1398 | 100% | - | - | 1398 | 100% | - | - |
| Female | 392 | 392 | 100% | 392 | 100% | 392 | 100% | - | | - | - |
| **Total** | **1790** | **1790** | **100%** | **1790** | **100%** | **392** | **22%** | **1398** | **78%** | - | - |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | - | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | - | - | - | - | - | - | - | - | - | - | - |

Non-permanent employees are covered under the Employee State Insurance Scheme.

* Day care facility has been extended to the employees on need basis.

# Paternity Benefits including a five days paid leave, have been extended to all the Employees.

**(b) Details of measures for the well-being of workers:**

| Category | Total (A) | % of workers covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | Paternity Benefits# | | | Day Care facilities* | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent workers** | | | | | | | | | | | |
| Male | 693 | 693 | 100% | 693 | 100% | - | - | 693 | 100% | - | - |
| Female | 41 | 41 | 100% | 41 | 100% | 41 | 100% | - | - | - | - |
| **Total** | **734** | **734** | **100%** | **734** | **100%** | **41** | **6%** | **693** | **94%** | - | - |
| **Other than Permanent workers** | | | | | | | | | | | |
| Male | - | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | - | - | - | - | - | - | - | - | - | - | - |

Non-permanent employees are covered under the Employee State Insurance Scheme.

* Day care facility has been extended to the employees on need basis.

# Paternity Benefits including a five days paid leave, have been extended to all the Employees.

**2. Details of retirement benefits, for Current FY and Previous Financial Year:**

| Benefits | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | No of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/NA) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/NA) |
| Employee Provident Fund | 100% | 100% | Yes | 100% | 100% | Yes |
| Gratuity | 100% | 100% | NA | 100% | 100% | NA |
| ESI | - | 100% | Yes | - | 100% | Yes |
| Others | - | - | - | - | - | - |

3. **Accessibility of workplaces**

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:**

Yes, GNO has the necessary infrastructure to make workplaces accessible to employees and visitors with disabilities.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so:**

The principles of equal opportunity and equal treatment are ensured irrespective of any disability and same is covered under the Code of Conduct of the Company. The Code of Conduct of the Company is accessible on www.grindwellnorton.co.in/commitments.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave:**

| Gender | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 98% | 100% | 100% |
| Female | 100% | 92% | 100% | 100% |
| **Total** | **100%** | **97%** | **100%** | **100%** |

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:**

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Workers | The Company has established a mechanism for addressing grievances that aligns with the statutory framework, this mechanism applies to permanent workers who may raise concerns such as wage disputes, discrimination, child labor, human rights violations, and Other than Permanent Workers can raise aforesaid grievances through their representatives. |
| Other than Permanent Workers | |
| Permanent Employees | Employees may direct their grievances to their respective HR Business Partner. |
| Other than Permanent Employees | Yes. The Company offers alternative channels i.e. Whistle Blower Mechanism, for reporting and seeking redressal for any violations. Employees and workers are actively encouraged to participate in the “Speak Up” campaign where they can voice their grievances. |

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

| Category | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees / workers in respective category (C) | No. of employees/ workers in respective category, who are part of association (s) or Union(D) | % (D/C) |
| **Total Permanent Employees** | **1790** | **-** | **-** | **1651** | **-** | **-** |
| Male | 1398 | - | - | 1287 | - | - |
| Female | 392 | - | - | 364 | - | - |
| **Total Permanent Workers** | **734** | **439** | **60%** | **671** | **505** | **75%** |
| Male | 693 | 440 | 63% | 669 | 503 | 75% |
| Female | 41 | 1 | 2% | 2 | 2 | 100% |

**8. Details of training given to employees and workers:**

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and Safety measures | | On Skill upgradation | | Total (A) | On Health and Safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No.(C) | % (C/A) | | No.(B) | % (B/A) | No.(C) | % (C/A) |
| **Employees** | | | | | | | | | | |
| Male | 1398 | 233 | 16.7% | 945 | 68% | 1287 | 49 | 3.8% | 697 | 54% |
| Female | 392 | 17 | 4.3% | 280 | 71% | 364 | 5 | 1.4% | 324 | 89% |
| **Total** | **1790** | **250** | **14%** | **1225** | **68%** | **1651** | **54** | **3.3%** | **1021** | **62%** |
| **Workers** | | | | | | | | | | |
| Male | 693 | 368 | 53.1% | 259 | 37% | 669 | 592 | 88% | 176 | 26% |
| Female | 41 | 1 | 2.4% | - | - | 2 | 2 | 100% | - | - |
| **Total** | **734** | **369** | **50.3%** | **259** | **35%** | **671** | **594** | **88%** | **176** | **26%** |

The Company celebrates EHS Day annually and every employee and worker undergoes the EHS orientation.

**9. Details of performance and career development reviews of employees and worker:**

| Category | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| **Employees** | | | | | | |
| Male | 1398 | 1181 | 84% | 1287 | 1113 | 86% |
| Female | 392 | 349 | 89% | 364 | 277 | 76% |
| **Total** | **1790** | **1530** | **85%** | **1651** | **1390** | **84%** |
| **Workers** | | | | | | |
| Male | 734 | 734 | 100% | 669 | 669 | 100% |
| Female | 693 | 693 | 100% | 2 | 2 | 100% |
| **Total** | **1427** | **1427** | **100%** | **671** | **671** | **100%** |

**10. Health and safety management system:**

**(a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

All work site is certified under ISO 9001: 2015, ISO 14001:2015 and ISO 45001:2018. The Company has integrated the protection and enhancement of employees' safety and well-being into its enterprise-wide risk management and control process. This demonstrates the Company's commitment to maintaining and improving the overall health and safety of its employees.

**(b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

A detailed risk assessment is utilized to identify work-related hazards and risks, and all non-routine tasks are subject to a work permit system. In line with the implementation of the ISO standard, the business units have established and implemented procedures for Hazard Identification and Risk Assessment and it is conducted for both routine and non-routine activities. The people involved in the operations, EHS Team identify work-related hazards. These identified hazards are recorded, and control measures are discussed and defined according to the hierarchy of controls. This systematic approach ensures that potential hazards are identified and addressed appropriately to maintain a safe working environment.

**(c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N):**

Indeed, all incidents of near misses and unsafe conditions are reported and addressed. The workers are strongly urged to report any unsafe acts, unsafe conditions, near misses, and incidents, and to remove themselves immediately from any such risks. The incidents are documented in an EHS dashboard that includes information from factory location. These reports are analysed and appropriate corrective and preventive measures are implemented to mitigate safety risks. This approach demonstrates the Company's commitment to maintaining a safe working environment for its employees.

**(d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No):**

All employees have access to non-occupational medical and healthcare services. 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.

**11. Details of safety related incidents, in the following format:**

| Safety Incident/Number | Category | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | - | - |
| | Workers* | 0.46 | Nill |
| Total recordable work-related injuries | Employees | - | - |
| | Workers* | 4 | 3 |
| No. of fatalities | Employees | - | - |
| | Workers* | - | - |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | - | - |
| | Workers* | - | - |

* Includes Workers on third party payroll or contract labour.

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace:**

The health and safety of its employees is deeply embedded in Saint-Gobain's CSR, EHS and HR policies. The Group Environment Health and Safety ("EHS") Charter, communicated to all employees, sets out the objectives which include zero lost-time accident 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 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. In furtherance to this, Saint-Gobain Group has set up a Mental Well Being portal, as well as a Mental Health Academy and a host of local initiatives, so that we can all flourish, overcome challenges and work together in a healthy and fulfilling working environment.

**13. Number of Complaints on the following made by employees and workers:**

| | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | - | - | - | - | - | - |
| Health & Safety | - | - | - | - | - | - |

The EHS committee of the Company actively connects with all its employees and workers and they are encouraged to identify and report unsafe working conditions.

**14. Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100% |
| Working Conditions | 100% |

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions:**

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 environment, this is a continuous process, which 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.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N):**

The Company provides a Life Insurance scheme for all its permanent employees and workers, along with financial assistance through contributions.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners:**

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. The Board of Directors and Audit Committee of the Company are also updated on a quarterly basis.

**3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

| | Total no. of affected employees/workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY 2023-24 | FY 2022-23 | FY 2023-24 | FY 2022-23 |
| Employees | Nil | Nil | Nil | Nil |
| Workers | Nil | Nil | Nil | Nil |

**4 Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No):**

Yes, the Company provides the assistance and facilitates continued employability on requirement/need.

**5. Details on assessment of value chain partners:**

| | 35% of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and safety practices | In 2023, an assessment was conducted on the health and safety practices as well as working conditions at all outsourced manufacturing locations of the Company.<br><br>ESG audit was conducted by external supplier, resulting in a score of 4.46 out of 5 for the GNO Bengaluru Plant, indicating strong adherence to good ESG practices. |
| Working Conditions | |

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners:**

On periodic basis, the Company conducts an audit within the EHS framework of the Company and effectively address any risk or concerns arising from the assessment.

**PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity:**

Stakeholder groups are determined by their level of involvement with the entity. Any individual or institution that contributes value to the Company's business chain is considered a core stakeholder. This encompasses employees, shareholders and investors, customers, channel partners, key partners, regulators, lenders, research analysts, communities, non-governmental organizations, suppliers, and others.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others - please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Employees | No, GNO is an Equal Opportunity Employer encouraging diversity in the workplace. | Notice Boards in factories, Company Intranet and Website, Regular updates are put up on GNO social media group, Business Connects and virtual meetings and Physical meetings with all employees. | Employee satisfaction survey is taken every year, Regulatory emails have been sent to the employees for important Company's communication. | Top-down communication about business growth plans; business performance; important changes; policies; wellbeing initiatives; Business Connect for gathering formal feedback; Workplace diversity is encouraged through various diversity; equity and inclusion initiatives. |
| Shareholders | No | Email, Newspaper, Notice board, Website. | Quarterly and need based. | Shareholder related communication. |
| Analyst | No | Email, conference calls, virtual meetings. | Yearly | To understand the Company's results, major events and future direction. |
| Customer/ Service Partners | No | Email, Fairs and Tradeshows. | As and when required. | Information on Business offerings. |

**Leadership Indicators**

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board:**

The Company ensures systematic engagement of stakeholders mentioned in this principle through various functions of the Company. The Board of Directors or its Committee actively seeks feedback on the status of different functions and provides guidance on enhancing processes and practices, as appropriate. Regular updates are provided to the Board of Directors/ Committees regarding these activities.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity:**

The Management of the Company apprises Board of Directors/Committee thereof about the status of various functions pertaining to EHS. The Board of Directors provides directions for improving processes/practices wherever applicable. The Company also regularly consults its internal and external stakeholders to identify and manage environmental and social topics.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginali stakeholder groups:**

Please refer to the Corporate Social Responsibility ("CSR") Annual Report, included as part of the Board's Report, which provides details on the CSR projects undertaken by the Company in the financial year 2023-24.

## PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

**Essential Indicators**

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. employees/ workers covered (B)* | % (B/A) | Total (C) | No. employees/ workers covered (D)* | % (D/C) |
| **Employees** | | | | | | |
| Permanent | 1790 | 1790 | 100.00% | 1651 | 298 | 18.38% |
| Other than permanent | 611 | - | - | 722 | - | - |
| **Total Employees** | **2401** | **1790** | **74.55%** | **2373** | **298** | **12.56%** |
| **Workers** | | | | | | |
| Permanent | 734 | - | - | 671 | 67 | 9.98% |
| Other than permanent | 2150 | - | - | 1746 | - | - |
| **Total Workers** | **2839** | **-** | **-** | **2417** | **67** | **2.77%** |

*Includes employees on third party payroll or contract labour.

Periodically, the training have been imparted to all employees and workers. The number of employees/ workers mentioned above pertains to new joinees.

**2. Details of minimum wages paid to employees and workers, in the following format:**

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No.(B) | % (B/A) | No.(C) | % (C/A) | | No.(E) | % (E/D) | No.(F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 1398 | - | - | 1398 | 100% | 1245 | - | - | 1245 | 100% |
| Female | 392 | - | - | 392 | 100% | 364 | - | - | 364 | 100% |
| **Other than permanent** | | | | | | | | | | |
| Male | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - |
| **Workers** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 693 | - | - | 693 | 100% | 669 | - | - | 669 | 100% |
| Female | 41 | - | - | 41 | 100% | 2 | - | - | 2 | 100% |
| **Other than permanent** | | | | | | | | | | |
| Male | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - |

**3. Details of remuneration/salary/wages, in the following format:**

(₹ lakhs)

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD) | 5 | 43.00 | 1 | 27.50 |
| Key Managerial Personnel | 4 | 202.74 | - | - |
| Employees other than BoD and KMP | 1394 | 9.49 | 392 | 7.83 |
| Workers | 693 | 4.50 | 41 | 1.33 |

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No):**

Yes, we have a management committee for addressing human rights impacts and issues.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues:**

All sites of GNO, there are suggestion and grievance boxes available for employees and workers to express their concerns. They are actively encouraged to participate in the “Speak Up” campaign, where they can voice their grievances.

**6. Number of Complaints on the following made by employees and workers:**

| | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | 1 | - | - | - | - | - |
| Discrimination at workplace | - | - | - | - | - | - |
| Child Labour | - | - | - | - | - | - |
| Forced Labour/Involuntary Labour | - | - | - | - | - | - |
| Wages | - | - | - | - | - | - |
| Other human rights related issues | - | - | - | - | - | - |

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:**

The committee ensures complete confidentiality is maintained in these cases.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No):**

Yes, 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 the 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 employ with the payment of social security dues properlxy 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.

**9. Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | 100% |
| Forced/involuntary labour | 100% |
| Sexual harassment | 100% |
| Discrimination at workplace | 100% |
| Wages | 100% |
| Others | - |

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above:**

Not Applicable.

**Leadership Indicators**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints:**

All concerned employees are provided with consistent training to effectively handle and address risks or concerns. They are well equipped to take appropriate corrective action, if any.

**2. Details of the scope and coverage of any Human rights due-diligence conducted:**

The Company ensures that employees' rights are respected, even as it promotes active dialogues with all its employees. As per the Suppliers' Charter, suppliers are required to declare and to ensure that they strictly respect the human rights of their employees.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

The Company is constantly in process of improving the infrastructure for disables across offices based on the requirement of the people.

**4. Details on assessment of value chain partners:**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Sexual Harassment | 35% |
| Discrimination at workplace | |
| Child Labour | |
| Forced Labour/Involuntary Labour | |
| Wages | |
| Others | |

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above:**

All concerned employees are provided with consistent training to effectively handle and address risks or concerns. They are well equipped to take appropriate corrective action, if any.

## PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

**Essential Indicators**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Total electricity consumption (A) | 82058 MWh | 73355 MWh |
| Total fuel consumption (B) | 68726 MWh | 61523 MWh |
| Energy consumption through other sources (C) | 1482 MWh | 1048 MWh |
| **Total energy consumption (A + B + C)** | **152266 MWh** | **135926 MWh** |
| Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) | 0.006 | 0.006 |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out an independent assessment by an external agency.

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:**

No, the Company does not have any site identified as DCs under PAT scheme.

**3. Provide details of the following disclosures related to water, in the following format:**

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | - | - |
| (ii) Groundwater | 126081 | 133832 |
| (iii) Third party water | 24007 | 37564 |
| (iv) Seawater / desalinated water | - | - |
| (v) Others | 1012 | - |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | **151100** | **171396** |
| **Total volume of water consumption (in kilolitres)** | **151100** | **171396** |
| Water intensity per rupee ofturnover (Water consumed / turnover) | 0.005 | 0.007 |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out an independent assessment by an external agency.

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverageand implementation:**

Untreated or partially treated water is not discharged to any TSDF or used for irrigation purposes. The treated water from the ETP is only sent to the TSDF in one plant, as per the requirements set by the local Pollution Control Board.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter | Please specify unit | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| NOx | ug/m3 (micrograms) | 19.00 | 17.85 |
| SOx | | 11.00 | 12.84 |
| Particulate matter (PM) | | 45.00 | 55.08 |
| Persistent organic pollutants (POP) | | - | - |
| Volatile organic compounds (VOC) | | Below detectable limits | Below detectable limits |
| Hazardous air pollutants (HAP) | | - | - |
| Others | | - | - |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out an independent assessment by an external agency.

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | Metric tonnes of $CO_2$ equivalent | 26565 | 24630 |
| **Total Scope 2 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs,$SF_6$, $NF_3$, if available)* | | 43719 | 40697 |
| **Total Scope 1 and Scope 2 emissions per rupee of turnover** | | 0.001 | 0.003 |
| **Total Scope 1 and Scope 2 emission intensity** the relevant metric may be selected by the entity | Metric tonnes of $CO_2$ equivalent | 26565 | 65327 |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out an independent assessment by an external agency.

* Scope 2 emission for FY 2023-24 was zero considering International Renewable Energy Certificate ("IREC").

**7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

- Energy mix through sourcing of Green Energy.
- Shifting to Natural gas from fuel oils.
- Biomass and Waste gasification to replace fossil fuels.

**8. Provide details related to waste management by the entity, in the following format:**

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste (A) | - | - |
| E-waste (B) | 1.81 | - |
| Bio-medical waste (C) | - | - |
| Construction and demolition waste (D) | - | - |
| Battery waste (E) | The Company follows the buy-back policy of old batteries with the Supplier. | |
| Radioactive waste (F) | - | - |
| Other Hazardous waste. Please specify, if any. (G) | 868 | 788 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 5733 | 5811 |
| **Total (A + B + C + D + E + F + G + H)** | **6602.81** | **6599** |

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Recycled | 5062 | 5600 |
| (ii) Re-used | - | - |
| (iii) Other recovery operations | 352 | 1704 |
| **Total** | **5414** | **7304** |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Incineration | - | - |
| (ii) Landfilling | 104 | - |
| (iii) Other disposal operations | - | 802 |
| **Total** | **104** | **802** |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out an independent assessment by an external agency.

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

In terms of waste management, the Company strives towards reuse and reduce usage of plastic waste. Extended Producer Responsibility ("EPR") is implemented. Producer Responsible Organisations ("PROs") are nominated centrally for the collection of e-waste and plastic waste from customers. The collected waste is recycled.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

| Sr. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| GNO does not currently have any offices or factories located in ecologically sensitive areas. | | | |

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| No projects were implemented in FY 2023-24. | | | | | |

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

| Sr. No. | Specify the law/ regulation/ guidelines which was not complied with | Provide details of the non- compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| Yes, the Company complies to all the applicable environmental law/regulations/guidelines in India. | | | | |

**Leadership Indicators**

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) | 15844 MWh | 11313 MWh |
| Total fuel consumption (B) | - | - |
| Energy consumption through other sources (C) | 1482 MWh | 1062 MWh |
| **Total energy consumed from renewable sources (A + B + C)** | **17326 MWh** | **12375 MWh** |
| **From non-renewable sources** | | |
| Total electricity consumption (D) | 66214 MWh | 62042 MWh |
| Total fuel consumption (E) | 68726 MWh | - |
| Energy consumption through other sources (F) | - | - |
| **Total energy consumed from non-renewable sources (D + E + F)** | **134940 MWh** | **62042 MWh** |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out an independent assessment by an external agency.

2. **Provide the following details related to water discharged:**

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) To Surface water | - | - |
| - No treatment | - | - |
| - With treatment-please specify level of treatment | - | - |
| (ii) To Groundwater | - | - |
| - No treatment | - | - |
| - With treatment-please specify level of treatment | - | - |
| (iii) To Seawater | - | - |
| - No treatment | - | - |
| - With treatment-please specify level of treatment | - | - |
| (iv) To Seawater | - | - |
| - No treatment | - | - |
| - With treatment-please specify level of treatment | - | - |
| (v) Sent to third- parties | - | - |
| - No treatment | - | - |
| - With treatment-please specify level of treatment | 1083 | 935 |
| (vi) Others | - | - |
| - No treatment | - | - |
| - With treatment-please specify level of treatment | - | - |
| **Total water discharged (in kilolitres)** | **1083** | **935** |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out an independent assessment by an external agency.

**3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: All sites of GNO

(ii) Nature of operations: Manufacturing of abrasives, ceramic and plastics etc.,

(iii) Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | - | - |
| (ii) Groundwater | 126081 | 133832 |
| (iii) Third party water | 24007 | 37564 |
| (iv) Seawater / desalinated water | - | - |
| (v) Others | 1012 | - |
| **Total volume of water withdrawal (in kilolitres)** | **151100** | **171396** |
| **Total volume of water consumption (in kilolitres)** | **151100** | **171396** |
| **Water intensity per rupee of turnover (Water consumed / turnover)** | **0.005** | **0.007** |
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) Into Surface water | - | - |
| - No treatment | - | - |
| - With treatment-please specify level of treatment | - | - |
| (ii) Into Groundwater | - | - |
| - No treatment | - | - |
| - With treatment-please specify level of treatment | - | - |
| (iii) Into Seawater | - | - |
| - No treatment | - | - |
| - With treatment-please specify level of treatment | - | - |
| (iv) Sent to third-parties | - | - |
| - No treatment | - | - |
| - With treatment-primary treatment | 1080 | 935 |
| (v) Others | - | - |
| - No treatment | - | - |
| - With treatment-please specify level of treatment | - | - |
| **Total water discharged (in kilolitres)** | **1080** | **935** |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out an independent assessment by an external agency.

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| **Total Scope 3 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs,$SF_6$, $NF_3$, if available | Metric tonnes of $CO_2$ equiv alent | - | - |
| **Total Scope 3 emissions per rupee of turnover** | - | - | - |
| **Total Scope 3 emission intensity** (optional) - the relevant metric may be selected by the entity | - | - | - |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out an independent assessment by an external agency.

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities:**

GNO does not currently have any offices or factories located in ecologically sensitive areas.

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

| Sr. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 1. | Sourcing of green energy | Solar and wind energy | Environmental impact reduced by offsetting 11245 tonnes $CO_2$ emission for FY 2023-24. |

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link:**

The Company has a Business Continuity Planning ("BCP") for managing crisis affecting Company's operations, assets and staff.

The Company's BCP covers the following components:

(a) Preventive crisis management plans for every location.

(b) Disaster recovery planning for IT applications and infrastructure.

(c) Situation specific business level BCP.

(d) Comprehensive communication strategy that effectively reaches and informs various teams within the organisation.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard:**

GNO ensures that there are no adverse impacts on the environment arising from its value chain**.**

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:**

35%

## PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

**Essential Indicators**

**1. (a) Number of affiliations with trade and industry chambers/ associations:**

GNO is affiliated with 2 trade and industry chambers.

**(b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:**

| Sr. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| 1. | Bombay Chamber of Commerce and Industry | State |
| 2. | Confederation of Indian Industry (CII) | National |

**2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities:**

| Name of authority | Brief of the case | Corrective action taken |
|---|---|---|
| There were no cases of anti-competitive conduct during the reporting period. | | |

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity:**

| Sr. No. | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly /Others - please specify) | Web Link, if available |
|---|---|---|---|---|---|
| 1. | The Company actively promotes sustainability and consistently makes efforts to address specific concerns related to sustainable business practices | By means of trade and industry associations | No. This involves engaging stakeholders consultations through relevant trade and industry association | Reviewed by the Business Team | Not Applicable |

## PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

**Essential Indicators**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| SIA was not applicable in the reporting year. | | | | | |

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

| Sr. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|---|---|---|---|---|---|---|
| Rehabilitation and Resettlement ("R&R") was not applicable in the reporting year. | | | | | | |

**3. Describe the mechanisms to receive and redress grievances of the community:**

A contact number as well as a contact email, are available for receiving complaints and feedback. Additionally, the Company's representatives directly receive such feedback and complaints. To ensure prompt responses, dedicated teams within the businesses are responsible for managing all the received feedback and complaints.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 31% | 40% |
| Sourced directly from within the district and neighbouring districts | 24% | 25% |

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

| Details of negative social impact identified | Corrective action taken |
|---|---|
| - | - |

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

(₹ lakhs)

| Sr. No. | State | Aspirational District | Amount spent (In INR) |
|---|---|---|---|
| 1. | Karnataka | Bagalkote, Bengaluru | 258.96 |
| 2. | Maharashtra | Raigad, Amravati, Mumbai, Nashik | 456.99 |
| 3. | Andhra Pradesh | Tirupati | 41.56 |
| 4. | Gujarat | Vadodara | 10.60 |
| 5. | Himachal Pradesh | Solan | 12.10 |
| **Total** | | | **780.21** |

Please refer to the Corporate Social Responsibility ("CSR") Annual Report, included as part of the Board's Report, which provides details on the CSR projects undertaken by the Company in the financial year 2023-24.

**3. (a) Do yo have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No):**

Contracts are awarded based on merit, which includes marginalised groups.

**(b) From which marginalized /vulnerable groups do you procure?** Not Applicable.

**(c) What percentage of total procurement (by value) does it constitute?** Not Applicable.

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

All Intellectual Property Rights ("IPR") are owned by Compagnie de Saint-Gobain.

| Sr. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|---|---|---|---|---|
| - | - | - | - | - |

**5. Details of corrective actions taken o underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:**

| Name of authority | Brief of the Case | Corrective action taken |
|---|---|---|
| **-** | - | **-** |

**6. Details of beneficiaries of CSR Projects:**

| Sr. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| 1. | Education and rehabilitation of underprivileged children | 57,831 | 100% |

Please refer to the Corporate Social Responsibility ("CSR") Annual Report, included as part of the Board's Report, which provides details on the CSR projects undertaken by the Company in the financial year 2023-24.

**PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER**

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:**

GNO has implemented a process to effectively handle customer complaints and feedback that are received through various channels. These channels include a toll-free number, a contact page on the Company's website, feedback and complaints received through email, and those received directly by the Company's representatives via phone or other means. Each business unit is responsible for managing these complaints and feedback to ensure they are addressed promptly and resolved in a timely manner.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

| | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | 35% |
| Safe and responsible usage | 100% |
| Recycling and/or safe disposal | 100% |

**3. Number of consumer complaints in respect of the following:**

| | FY 2023-24 | | Remarks | FY 2022-23 | | Remarks |
|---|---|---|---|---|---|---|
| | Recevied during the year | Pending resolution during the year | | Recevied during the year | Pending resolution during the year | |
| Data privacy | - | - | - | - | - | - |
| Advertising | - | - | - | - | - | - |
| Cyber-security | - | - | - | - | - | - |
| Delivery of essential services | - | - | - | - | - | - |
| Restrictive Trade Practices | - | - | - | - | - | - |
| Unfair Trade Practices | - | - | - | - | - | - |
| Other | - | - | - | 1 | - | The necessary legal process has allready been initiated and the said concern does not hold any merits. |

**4. Details of instances of product recalls on account of safety issues:**

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | - | - |
| Forced recalls | - | - |

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy:**

The Company adheres to the global cyber security framework of Saint-Gobain and the reference framework is for short and medium-term actions to strengthen Saint-Gobain's cyber-defense against new cyber-attacks. This framework is implemented in a continuous cyber and security improvement plan adapted to each Business organisation and Group teams. This plan covers global infrastructure, local infrastructure, applications and websites and industrial systems. These rules are also supplemented downstream by periodically updated technical standards to monitor technological developments and control application, industrial and infrastructure services. Additionally, the Company addresses the data privacy risks in accordance with the Information Technology Act, 2000.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

   No consumer complaints were received regarding advertising, delivery of essential services, cyber security, and data privacy of customers.

**Leadership Indicators**

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available):**

   The information on products and services is available on the Company's website, www.grindwellnorton.co.in/our-businesses.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:**

   The usage of products and services is outlined in manuals provided with the products.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:**

   GNO does not directly provide essential services, as defined in The Essential Services Maintenance Act, 1981. GNO takes measures to ensure that its customers experience minimal disruption to their operations and services. The Company maintains continuous communication with its customers to ensure the smooth running of their operations.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No):**

   Yes, the Company complies with all relevant laws and regulations, including those related to product labeling.

5. **Provide the following information relating to data breaches:** Nil

   (a) **Number of instances of data breaches along-with impact:** Nil

   (b) **Percentage of data breaches involving personally identifiable information of customers:** Nil

**Weblink of GNO's Code and Policies:**

| | | |
|---|---|---|
| 1. | Policy on Materiality of the Related Party Transaction and On Dealing with Related Party Transaction | https://www.grindwellnorton.co.in/investor-information>Policies |
| 2. | Corporate Social Responsibility Policy | |
| 3. | Code of Practices and Procedures for Fair Disclosures and Legitimate Policy | |
| 4. | Policy for Determination of Materiality | |
| 5. | Policy for appointment of Director, Key Managerial Personnel ("KMP") and Senior Management Appointment Criteria, Performance Evaluation and Removal ("Nomination and Remuneration Policy") | |
| 6. | Archival Policy | |
| 7. | Dividend Distribution Policy | |
| 8. | Whistleblower Policy | |
| 9. | EHS Policy | |
| 10. | Quality Policy | |

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

## Report on the Audit of the Standalone Ind-AS Financial Statements

### Opinion

We have audited the accompanying standalone Ind-AS financial statements of ***GRINDWELL NORTON LIMITED*** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flow for the year then ended and the Notes to the standalone Ind-AS financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "standalone Ind-AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind-AS financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (India Accounting Standards) Rules, 2015, as amended (Ind-AS) and with other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone Ind-AS financial statements 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 Ind-AS 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone Ind-AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key audit matter description | How the scope of our audit addressed the key audit matter |
|---|---|---|
| 1. | **Revenue Recognition and Measurement**<br>Revenue from sale of goods and services is one of the key profit drivers and is therefore susceptible to misstatement.<br><br>Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement in financial statements for the year. Risk that revenue from operations could be overstated due to booking of revenues pertaining to post year end.<br><br>Revenue is measured net of trade discounts, schemes and returns. The estimation of the various types of discounts, schemes and returns to be recognised based on sales made during the year is material and considered to be judgmental owing to the varying terms of the agreements with customers which are based on annual contracts or shorter-term arrangements.<br><br>Accumulated experience is used to estimate the provision for discounts, schemes and returns considering the arrangements with customers.<br><br>We have therefore identified cut-off risk and Management estimate with respect to discounts, schemes and returns as a key audit matter. | Our procedures included:<br><br>Assessing the Company's revenue recognition accounting policy, by comparing the same with the applicable Ind-AS.<br><br>**Tests of controls:**<br><br>Understanding and evaluating the design and implementation of controls and testing the operating effectiveness of key controls over the accuracy of discounts, commission and rebates and correct timing of revenue recognition, the accuracy of pricing master and discounts, rebates and incentives in the applicable accounting system and the interface to general ledger accounting system.<br><br>**Tests of details:**<br><br>- Verified the supporting documentation for determining that the revenue was recognised in the correct accounting period (cut-off testing). Performed tests, on a sample basis, on revenue recognised and verified that the revenue was recognised at a point-in-time, as per the terms of agreement with customers;<br><br>- Comparing the discounts schemes and returns with the prior year and where relevant, performed further inquiries and testing. |

| Sr. No. | Key audit matter description | How the scope of our audit addressed the key audit matter |
|---|---|---|
| | | Verifying the manual journals posted to revenue to identify unusual or irregular items.<br>- To assess the recoverability of trade receivables, our procedures included an assessment of whether the provision against, or write off of the receivables, impacted our view as to the initial recognition of the related revenue.<br>We also assessed as to whether the disclosures in respect of revenue were adequate. |
| 2. | **Assessment of Valuation of Unquoted Equity Investment**<br>The Company has an equity interest amounting to ₹ 227,40.00 lakhs in an unquoted company which is accounted on 'Fair Value through Other Comprehensive Income' in accordance with Indian Accounting Standard Ind AS – 113 Fair Value Measurement.<br>In measuring this investment, 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, wherever considered necessary.<br>Key inputs used in the valuation of the above investment are cash flow projections, growth rate, terminal value, discount rate, net asset value, etc.<br>**Risk identified:**<br>The valuation of this investment 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.<br>Given the inherent subjectivity in the valuation of the above investment, relative significance of this investment to the standalone financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter. | Our procedures to test the valuation of investment in the unquoted equity instruments include the following:<br>**Accounting policies:**<br>Assessed the appropriateness of the relevant accounting policy of the Company, including those relating to recognition and measurement of financial instruments and ensuring compliance with applicable accounting standards.<br>**Tests of controls:**<br>Understanding and evaluating the design and implementation of controls and testing the operating effectiveness of key controls over determination of fair value (including valuation model and assumptions / judgements) of unquoted equity instrument.<br>**Tests of details:**<br>- Assessing the accuracy and reasonableness of the input data provided by the Management by agreeing with approved budgets.<br>- Comparing recent historical results vis-à-vis corresponding budgets.<br>- Evaluation of competence, capabilities and objectivity of the valuation expert engaged by the Management.<br>- 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 have assessed valuation methodology, discount rate, terminal growth rate, etc.<br>- Tested the mathematical accuracy of the discounted cash flow projections. Traced the net assets value to the draft financial statements of the investee.<br>Assessed adequacy of relevant disclosures in the standalone Ind-AS financial statements. |

**Information Other than the Standalone Ind-AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report, Business Responsibility & Sustainability Report and Corporate Governance Report but does not include the standalone Ind-AS financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report. Our opinion on the standalone Ind-AS 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 Ind-AS financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind-AS

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 Ind-AS Financial Statements**

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 Ind-AS 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 Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind-AS financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Ind-AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind-AS 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 Ind-AS financial statements.

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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the financial statements may be influenced. We consider quantitative materiality and qualitative

factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind-AS financial statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind-AS 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**

1) 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 Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

2) As required by section143(3) of the Act, we report that:

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books, except for the matter stated in paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

   d) In our opinion, the aforesaid standalone Ind-AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

   e) On the basis of the written representations received from the Directors of the Company as on March 31, 2024, and taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2024, from being appointed as a Director in terms of section 164(2) of the Act.

   f) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the sub-paragraph b) of paragraph 2 above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g) 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 B".**

   h) 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 ("the Rules"), in our opinion and to the best of our information and according to the explanations given to us:

      i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind-AS financial statements - Refer Note 45 to the standalone Ind-AS financial statements.

      ii) The Company has made provision, as required under the applicable laws or Accounting Standards for material foreseeable losses, if any, on long term contracts including derivative contracts. Refer Notes 1.3(I) and Note 43(C) to the standalone Ind-AS financial statements.

      iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024, except when disputes relating to ownership of the underlying shares are unresolved. Refer Note 26 to the standalone Ind-AS financial statements.

iv) The Management has represented that:

a) to the best of their 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(s) or entity(ies), including foreign entity(ies) ("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;

b) to the best of their knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company 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;

Based on such audit procedures performed by us that have been 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 (i) and (ii) of Rule 11 (e) of the Rules as provided under a) and (b) above contain any material misstatement.

v) As per information and explanation represented by Management and based on the records of the Company, the dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination, which included test checks, the Company has used accounting software programs for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that no audit trail was enabled at the database level for its accounting software, including SAP, Sales Portal, GNO Apps, Nimble, Swifter ERS, SafeNet, and One HR, to log any direct data changes. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, is applicable from April 1, 2023, reporting under Rule 11 (g) of the Rules on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

3) According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act.

For **Kalyaniwalla & Mistry LLP**
**Chartered Accountants**
Firm Registration No.: 104607W / W100166

Daraius Z. Fraser
**Partner**
Membership No. 042454
UDIN: 24042454BKBKCU7785

Place - Mumbai
Date - May 6, 2024.

# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the standalone Ind-AS financial statements for the year ended March 31, 2024:

**Statement on Matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020:**

**i) Property Plant and Equipment:**

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a program of physical verification of Property, Plant and Equipment by which the property, plant and equipment including Right-to-use assets are verified by the Management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year. No material discrepancies were noticed in respect of such assets verified during the year.

c) Based on our examination of the registered sales deed provided to us, we report that the title deeds of immovable properties (other than properties where the Company is the Lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company or in the name of the erstwhile Company as disclosed in Note 3 of the Standalone Financial Statements. In case of Leasehold Land where the agreement was entered in the name of erstwhile PRS Permacel Private Limited, now merged with the Company, the Company is in the process of getting the same registered under the name of the Company, as disclosed in Note 3A of the Standalone Financial Statements.

d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and Intangible assets during the year.

e) According to the information and explanations given to us, representation obtained from Management and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

**ii) Inventory:**

a) The Management has conducted physical verification of inventories at reasonable intervals. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its operations. The discrepancies noticed on such physical verification of inventories between physical stock and book records is less than 10% in the aggregate for each class of inventories and have been properly dealt with in the books of account.

b) According to the information and explanations given to us by the Management and books and records maintained, the Company has not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets of the Company. Therefore, the provisions of clause 3 (ii)(b) of the Order is not applicable.

iii) The Company has made investments in a company during the year. The Company has not provided any guarantee or security and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, except loans given to employees.

a) The Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity, hence reporting under paragraph (iii) (a) is not applicable.

b) In our opinion, the investments made by the Company, are prima facie, not prejudicial to the interest of the Company. During the year, the Company has not provided guarantees, given security and advances in the nature of loans and guarantees provided to companies, firms, limited liability partnerships. However, the Company has granted loans to its employees, the terms and conditions of the loans to its employees, are prima facie not prejudicial to the interests of the Company.

c) In respect of loans to employees and key managerial personnel, the repayment schedule of principal has been stipulated and the receipt / repayments are regular.

d) In respect of loans granted to employees and key managerial personnel, there are no amounts overdue for more than ninety days.

e) In respect of loans granted to employees and key managerial personnel, there were no amounts which have fallen due

during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same employees.

f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under paragraph (iii)(f) is not applicable.

iv) According to the information and explanations given to us, the Company has not advanced any loans or given guarantee or provided any security to parties covered under section 185 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us and records examined by us, the provisions of section 186 of the Companies Act, 2013, in respect of investments made have been complied with by the Company.

v) According to the information and explanations given to us and representation obtained from Management, the Company has not accepted deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed thereunder apply. Accordingly, paragraph (v) of the Order is not applicable to the Company.

vi) We have broadly reviewed the books of account and records maintained by the Company in respect of the products covered under the Rules prescribed by the Central Government for the maintenance of cost records, under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) Statutory Dues:

a) According to the information and explanations given to us and on the basis of the records examined by us, the Company is regular in depositing undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, cess and other material applicable statutory dues during the year. We have been informed that there are no undisputed dues which have remained outstanding as at the last day of the financial year, for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of disputes are given below:

| Name of Statute | Nature of Dues | Amount (₹ in Lakhs)* | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| The Central Excise Act, 1944. | Excise Duty | 10.32 | F.Y. 2005-06 to 2011-12 | Asst. Commissioner |
| | | 199.31 | F.Y. 2005-07 and F.Y. 2015-17 | Customs, Excise and Service Tax Appellate Tribunal |
| | | 12.62 | F.Y. 2014-15 | Deputy Commissioner |
| | | 13.11 | F.Y. 2008-09 and F.Y. 2016-2017 | Commissioner (Appeals) |
| | | 180.95 | F.Y. 2005-06 and F.Y. 2016-2017 | Deputy Commissioner Central Excise |
| | | 27.78 | F.Y. 2005-06 and F.Y. 2016-2017 | Commissioner (Appeal) |
| The Customs Tariff Act, 1962. | Custom Duty | 183.03 | F.Y. 2006-07 to F.Y. 2012-13 | Customs, Excise and Service Tax Appellate Tribunal |
| | | 2.19 | F.Y. 2020-21 | Superintendent of Customs |
| | | 1.10 | F.Y. 2022-23 | Commissioner of Customs, West Bengal. |
| The Gujarat Value Added Tax Act, 2003 | Value Added Tax | 36.44 | F.Y. 2009-10 | The Gujarat Value Added Tax Tribunal |
| The Goods and Service Tax Act, 2017 | GST | 7.44 | F.Y. 2020-21 | Sales / Commercial Tax Inspector |
| | | 15.80 | F.Y. 2017-18 | Commercial Tax Officer |
| | | 15.37 | F.Y. 2017-18 | Commissioner (Appeal) |
| | | 107.57 | F.Y. 2018-19 | Asst. Commissioner of Sales tax |
| Income-tax Act, 1961 | Income Tax | 23.99 | A.Y. 2017-18 to A.Y. 2021-22 | Commissioner of Income-tax (Appeals) |

* Net of amount paid under protest

viii) According to the information and explanations given to us and on the basis of the records examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) Borrowings:

a) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of loans or other borrowings or payment of interest thereon to a bank. The Company has not taken any loan or borrowings from the financial institution or the Government.

b) In our opinion and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lenders.

c) In our opinion and according to the information and explanations given to us by the Management, the Company has availed term loan from a bank during the year which has been utilised for the purpose for which the same was obtained.

d) In our opinion and according to the information and explanations given to us by the Management, on an overall examination of the standalone Ind-AS financial statements of the Company, funds raised on short-term basis have not been used for long-term purposes by the Company.

e) According to the information and explanations given to us by the Management, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary company, joint venture or associate hence the question of reporting on the same does not arise.

f) According to the information and explanations given to us by the Management, the Company has not raised loans during the year on the pledge of securities held in its subsidiary company, joint venture or associate, hence the question of reporting on the same does not arise.

x) Allotment of Shares

(a) According to the information and explanations given to us by the Management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of paragraph 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of paragraph 3(x)(b) of the Order is not applicable to the Company.

xi) Frauds

(a) According to the information and explanations given to us, on the basis of the records examined by us and representation from Management, no fraud by the Company or material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanations given to us by the Management, two whistle-blower complaints had been received by the Company during the year and we have taken into consideration the whistle blower complaints received by the company during the year while determining the nature, timing and extent of audit procedures.

xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act with respect to applicable transactions with the related parties and details of such transactions have been disclosed in the standalone Ind-AS financial statements as required by the applicable accounting standards.

xiv) Internal Audit System

(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with its directors. and hence provisions of section 192 of the Act are not applicable to the Company.

xvi) In respect of registration u/s 45-IA

(a) In our opinion, according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and has also not conducted any Non-Banking Financial or Housing Finance activities. Hence, reporting under clause 3(xvi)(a) and (b) of the Order are not applicable.

(b) The Company and any other company in the Group is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) and (d) of the Order are not applicable.

xvii) According to the information and explanations given to us and based on our examination of the standalone Ind-AS financial statements of the Company, the Company has not incurred cash losses during the current financial year and the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditor of the Company during the year.

xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone Ind-AS financial statements and 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 indicating 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 representation from Management. Our report does not give 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) Corporate Social Responsibility

There are no unspent amounts towards Corporate Social Responsibility (CSR) as at March 31, 2024. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable for the year.

For **Kalyaniwalla & Mistry LLP**
**Chartered Accountants**
Firm Registration No.: 104607W / W100166

Daraius Z. Fraser
**Partner**
Membership No. 042454
UDIN: 24042454BKBKCU7785

Place - Mumbai
Date - May 6, 2024.

# ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

**Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of ***GRINDWELL NORTON LIMITED*** ("the Company") as of March 31, 2024, in conjunction with our audit of the standalone Ind-AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act" or the "Companies Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and 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 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.

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls with reference to standalone Ind-AS Financial Statements**

A Company's internal financial control with reference to standalone Ind-AS 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 authorizations of management and directors of the company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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**

In our opinion, to the best of our knowledge and according to the explanations given to us, 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, 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **Kalyaniwalla & Mistry LLP**
**Chartered Accountants**
Firm Registration No.: 104607W / W100166

Daraius Z. Fraser
**Partner**
Membership No. 042454
UDIN: 24042454BKBKCU7785

Place - Mumbai
Date - May 6, 2024.

SAINT-GOBAIN

# STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | Notes | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 3 | **558,19.73** | 425,49.95 |
| Right-of-use asset | 3A | **79,18.23** | 49,75.72 |
| Capital work-in-progress | 3 | **127,18.52** | 117,91.08 |
| Goodwill | 4 | **46,78.66** | 46,78.66 |
| Other intangible assets | 4 | **46,72.00** | 47,57.49 |
| Intangible asset under development | 4 | **31.67** | 67.45 |
| Financial assets | | | |
| i. Investments | 5 | **262,91.53** | 230,08.53 |
| ii. Loans | 6 | **7,78.32** | 6,28.63 |
| iii. Other financial assets | 7 | **28,93.13** | 50,02.45 |
| Income tax assets (Net) | 8 | **5,96.64** | 7,69.35 |
| Other non-current assets | 9 | **23,81.29** | 46,14.83 |
| **Total non-current assets** | | **1,187,79.72** | 1,028,44.14 |
| **CURRENT ASSETS** | | | |
| Inventories | 10 | **474,11.51** | 451,14.92 |
| Financial assets | | | |
| i. Investments | 11 | **447,25.64** | 435,22.82 |
| ii. Trade receivables | 12 | **352,55.78** | 277,43.30 |
| iii. Cash and cash equivalents | 13 | **48,44.83** | 34,16.14 |
| iv. Bank balances other than (iii) above | 14 | **163,94.17** | 99,14.58 |
| v. Loans | 15 | **1,53.65** | 1,12.27 |
| vi. Other financial assets | 16 | **23,84.85** | 10,23.43 |
| Other current assets | 17 | **43,31.41** | 44,12.84 |
| **Total current assets** | | **1,555,01.84** | 1,352,60.30 |
| **TOTAL ASSETS** | | **2,742,81.56** | 2,381,04.44 |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 18 | **55,36.00** | 55,36.00 |
| Other equity | 19 | **1,995,68.60** | 1,748,99.57 |
| **Total equity** | | **2,051,04.60** | 1,804,35.57 |
| **LIABILITIES** | | | |
| **NON-CURRENT LIABILITIES** | | | |
| Financial liabilities | | | |
| i. Borrowings | 20A | **6,36.19** | 3,95.18 |
| ia. Lease liabilities | 20B | **53,27.66** | 24,36.83 |
| Provisions | 21 | **49,59.91** | 52,01.66 |
| Deferred tax liabilities (Net) | 22 | **22,09.90** | 13,85.28 |
| Other non-current liabilities | 23 | **31.03** | 42.02 |
| **Total non-current liabilities** | | **131,64.69** | 94,60.97 |
| **CURRENT LIABILITIES** | | | |
| Financial liabilities | | | |
| i. Borrowings | 24A | **5,00.00** | 5,12.37 |
| ia. Lease liabilities | 24B | **10,13.34** | 8,05.66 |
| ii. Trade payables | 25 | | |
| (a) Total outstanding dues of micro and small enterprises | | **5,78.73** | 9,16.38 |
| (b) Total outstanding dues of creditors other than (ii)(a) above | | **355,82.97** | 264,64.84 |
| iii. Other financial liabilities | 26 | **92,88.11** | 90,42.94 |
| Provisions | 27 | **34,94.03** | 25,76.78 |
| Current tax liabilities (Net) | 28 | **7,90.04** | 25,41.31 |
| Other current liabilities | 29 | **47,65.05** | 53,47.62 |
| **Total current liabilities** | | **560,12.27** | 482,07.90 |
| **Total liabilities** | | **691,76.96** | 576,68.87 |
| **TOTAL EQUITY AND LIABILITIES** | | **2,742,81.56** | 2,381,04.44 |
| **Material Accounting Policies** | 1.3 | | |

The accompanying notes (1 to 53) are an integral part of the Standalone Financial Statements.

As per our Report of even date

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

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No. 104607W / W100166

Daraius Z. Fraser
Partner
Membership No. 042454
Mumbai : May 6, 2024

Keki M. Elavia — Chairman
B. Santhanam — Managing Director — DIN 00003940
Hari Singudasu — Chief Financial Officer
K. Visweswaran — Company Secretary — DIN 00494806

Mumbai : May 6, 2024

# STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | Notes | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 30 | **2,651,67.90** | 2,523,75.68 |
| Other income | 31 | **68,31.08** | 56,00.79 |
| **Total income** | | **2,719,98.98** | 2,579,76.47 |
| **EXPENSES** | | | |
| Cost of materials consumed | 32 | **873,24.05** | 923,19.07 |
| Purchases of stock-in-trade | 33 | **333,31.44** | 267,07.94 |
| Changes in inventories of work-in-progress, stock-in-trade and finished goods | 34 | **(9,61.52)** | (24,50.87) |
| Employee benefits expense | 35 | **322,91.12** | 294,44.29 |
| Finance costs | 36 | **6,92.03** | 7,52.73 |
| Depreciation and amortisation expense | 37 | **68,82.70** | 58,10.92 |
| Other expenses | 38 | **616,36.57** | 563,07.89 |
| **Total expenses** | | **2,211,96.39** | 2,088,91.97 |
| **Profit before exceptional item and tax** | | **508,02.59** | 490,84.50 |
| Exceptional item | 39 | **(3,19.58)** | - |
| **Profit before tax** | | **504,83.01** | 490,84.50 |
| Income tax expenses | 40 | | |
| - Current tax | | **121,73.47** | 127,02.01 |
| - Deferred tax | | **2,37.85** | (2,08.62) |
| **Total tax expenses** | | **124,11.32** | 124,93.39 |
| **Profit for the year** | | **380,71.69** | 365,91.11 |
| **Other Comprehensive Income** | | | |
| *Items that will not be reclassified to profit or loss* | | | |
| Remeasurement of post employment benefit obligations - gain/(loss) | | **1,55.50** | (1,11.99) |
| Change in fair value of equity instruments at Fair Value through Other Comprehensive Income (FVOCI) | | **29,10.00** | 8,23.00 |
| Income tax relating to these items | | | |
| - Current tax | | **(39.14)** | 28.19 |
| - Deferred tax | | **(5,38.35)** | (51.24) |
| **Other comprehensive income for the year, net of tax** | | **24,88.01** | 6,87.96 |
| **Total comprehensive income for the year** | | **405,59.70** | 372,79.07 |
| **Earnings per equity share** (Face value of ₹ 5/- each) | | | |
| Basic earnings per equity share (in ₹) | 41 | **34.39** | 33.05 |
| Diluted earnings per equity share (in ₹) | 41 | **34.39** | 33.05 |
| **Material Accounting Policies** | 1.3 | | |

The accompanying notes (1 to 53) are an integral part of the Standalone Financial Statements.

As per our Report of even date

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

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No. 104607W / W100166

Daraius Z. Fraser
Partner
Membership No. 042454
Mumbai : May 6, 2024

Keki M. Elavia — Chairman — DIN 00003940
B. Santhanam — Managing Director — DIN 00494806
Hari Singudasu — Chief Financial Officer
K. Visweswaran — Company Secretary

Mumbai : May 6, 2024

# STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

## I) EQUITY SHARE CAPITAL

| | Notes | Amounts |
|---|---|---|
| Balance as at March 31, 2022* | | 55,36.00 |
| Changes in equity share capital | 18 | - |
| Balance as at March 31, 2023* | | 55,36.00 |
| Changes in equity share capital | 18 | - |
| **Balance as at March 31, 2024** | | **55,36.00** |

* There are no changes in Equity Share Capital due to prior period errors

## 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 Plan Account | |
| **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** |
| Profit for the year | 19 | - | - | 365,91.11 | - | - | - | 365,91.11 |
| Remeasurement of post employment benefit obligation, net of tax | | - | - | (83.80) | - | - | - | (83.80) |
| Share based payment (Refer Note 47) | | - | - | - | - | - | 1,38.73 | 1,38.73 |
| Change in fair value of equity instruments through Other Comprehensive Income, net of tax | 19 | - | - | - | 7,71.76 | - | - | 7,71.76 |
| Dividend for the financial year 2021-22 | | - | - | (132,86.40) | - | - | - | (132,86.40) |
| **Balance as at March 31, 2023* (Restated)** | | **27,90.82** | **402,01.34** | **1,169,00.20** | **134,95.73** | **3,35.34** | **11,76.14** | **1,748,99.57** |
| Profit for the year | 19 | - | - | 380,71.69 | - | - | - | 380,71.69 |
| Remeasurement of post employment benefit obligation, net of tax | | - | - | 1,16.36 | - | - | - | 1,16.36 |
| Share based payment (Refer Note 47) | | - | - | - | - | - | 1,63.73 | 1,63.73 |
| Change in fair value of equity instruments through Other Comprehensive Income,net of tax | 19 | - | - | - | 23,71.65 | - | - | 23,71.65 |
| Dividend for the financial year 2022-23 | | - | - | (160,54.40) | - | - | - | (160,54.40) |
| **Balance as at March 31, 2024** | | **27,90.82** | **402,01.34** | **1,390,33.85** | **158,67.38** | **3,35.34** | **13,39.87** | **1,995,68.60** |

* There are no changes in other equity due to prior period errors

The accompanying notes (1 to 53) are an integral part of the Standalone Financial Statements.

As per our Report of even date

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

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No. 104607W / W100166

Daraius Z. Fraser
Partner
Membership No. 042454
Mumbai : May 6, 2024

Keki M. Elavia — Chairman
B. Santhanam — Managing Director — DIN 00003940
Hari Singudasu — Chief Financial Officer
K. Visweswaran — Company Secretary — DIN 00494806

Mumbai : May 6, 2024

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**NOTE: 1**

**1.1 CORPORATE INFORMATION**

Grindwell Norton Limited ('the Company') having CIN L26593MH1950PLC008163 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 Solutions. The businesses are divided into three segments:

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

The Standalone Financial Statements of the Company for the year ended March 31, 2024 were authorized for issue in accordance with a resolution of the Board of Directors on May 6, 2024.

**1.2 BASIS OF PREPARATION**

**(i) Compliance with Ind AS**

The Standalone Financial Statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (the Act), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

**(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) Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**1.3 MATERIAL ACCOUNTING POLICY INFORMATION**

**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. Assets carrying amount is to be recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**1.3 MATERIAL ACCOUNTING POLICIES INFORMATION (Contd.)**

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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. 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 its 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. Individual assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

| | 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.

**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, Trade Mark and Brand Value is carried at its cost less any accumulated amortisation and any accumulated impairment losses.

Goodwill, Trade Mark and Brand Value are included in intangible assets on acquisitions. Goodwill, Trade Mark and Brand Value are 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**1.3 MATERIAL ACCOUNTING POLICIES INFORMATION (Contd.)**

Goodwill, Trade Mark and Brand Value 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, Trade Mark and Brand Value arose.

**(ii) Amortisation :**

Intangible assets other than Goodwill, Trade Mark and Brand Value 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) Patent : 20 Years

**C. 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. Materials in transit are valued at actual cost.

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

**D. 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**1.3 MATERIAL ACCOUNTING POLICIES INFORMATION (Contd.)**

(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.

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.

**E. 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 Group makes a loss allowance using simplified approach for ECL and on a case to case basis. The application of simplified approach does not require the Group 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. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix.

(ii) Non-financial assets

Non financial assets, other than Goodwill, Trade Mark and Brand Value, 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,Trade mark and Brand Value 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, 2024

**1.3 MATERIAL ACCOUNTING POLICIES INFORMATION (Contd.)**

**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.

**I. Forward contracts - Not designated as hedges**

The Company enters into a 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**

**Revenue from operations**

The Company recognizes revenue from sale of goods when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity. The Company bases its estimates of discount and rebates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised towards satisfaction of a performance obligation which is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration, any taxes or duties collected on behalf of the Government such as Goods and Services tax etc., and various discounts, schemes offered by the Company as part of the contract.

**(i) Sale of goods**

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**1.3 MATERIAL ACCOUNTING POLICIES INFORMATION (Contd.)**

**(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) 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. Other Income**

**(i) Dividend Income**

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.

**(ii) 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.

**L. 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.

**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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**1.3 MATERIAL ACCOUNTING POLICIES INFORMATION (Contd.)**

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.

**M. 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.

**N. Income Tax**

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

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

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

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

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

Current and deferred tax is recognised in profit 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.

**O. 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**1.3 MATERIAL ACCOUNTING POLICIES INFORMATION (Contd.)**

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.

**P. 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.

**Q. 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.

**R. 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.

**S. 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**1.3 MATERIAL ACCOUNTING POLICIES INFORMATION (Contd.)**

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 re-measurements 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.

**T. Offsetting financial instruments**

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

**U. 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.

**V. Business Combinations**

The Company accounts for business combinations in accordance with Ind AS 103, using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired, as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**NOTE: 2**

## 2.1 USE OF JUDGEMENTS, ESTIMATE AND ASSUMPTIONS

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make estimates and judgments that affect the reported balances of assets and liabilities, disclosures of the contingent liabilities as at the date of the standalone financial statements and the reported amounts of income and expenses for the periods presented. 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.

The Company uses the following critical accounting estimates in preparation of its standalone financial statements: Judgment, estimates and assumptions are required in particular for:

**a) Determination of the estimated useful lives of property, plant and equipment**

Useful lives of property, plant and equipment 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, 2024

**2.1 USE OF JUDGEMENTS, ESTIMATE AND ASSUMPTIONS (Contd.)**

**f) Impairment of intangible assets**

Significant estimates are required to be made in determining the value of intangible assets acquired on business combination. These valuations are conducted by independent valuation experts which involves certain estimates and judgements.

Goodwill, Trade Mark and Brand Value are tested for impairment on an annual basis. The impairment test is performed at the level of the cash generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition.

Key assumptions on which Management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

**g) Taxation**

The Company's tax charge on ordinary activities is the sum of the total current, deferred tax charges and other adjustments in respect of earlier year's assessments. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits / losses and / or cash flows.

**h) Provision and Contingent Liabilities**

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

Management estimates and judgements are continuously evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**i) Employee Incentives, Sales Incentives Schemes and Turnover Discount**

The provision for employee incentives is calculated based on the parameters set in the Scheme.

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**3. PROPERTY, PLANT AND EQUIPMENT**

| | Land - Freehold | Buildings (Refer note a) | Leasehold Improvements | Plant and Equipments | Electrical Installations and Equipments | Laboratory Equipments | Computers | Furniture and Fixtures | Office Equipments | Vehicles | Total | Capital Work-in-Progress |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount:** | | | | | | | | | | | | |
| **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** |
| Acquisitions through business combinations | - | 17,35.00 | - | 10,41.36 | 2,39.40 | 26.75 | 4.60 | 25.61 | 37.21 | 13.42 | 31,23.35 | - |
| Reclassification | - | - | - | - | - | - | 18.89 | - | - | - | 18.89 | - |
| Additions | - | 18,57.11 | 1,99.91 | 52,82.56 | 11,21.27 | 53.70 | 4,41.79 | 4,10.51 | 3,61.77 | 1,21.51 | 98,50.13 | 147,27.83 |
| Deductions | - | (58.70) | (9.13) | (5,72.05) | (0.83) | (2.62) | (2,51.86) | (14.32) | (42.78) | (21.89) | (9,74.18) | (95,41.06) |
| **As at March 31, 2023 (Restated)** | **19,01.35** | **190,79.22** | **7,61.08** | **440,58.25** | **18,59.25** | **2,73.99** | **23,51.82** | **19,69.08** | **12,98.88** | **3,96.39** | **739,49.31** | **117,91.08** |
| Reclassification | - | - | - | 2,72.97 | (41.00) | - | 0.82 | - | (2,32.79) | - | - | - |
| Additions | - | 25,36.63 | 5,01.32 | 130,89.68 | 5,68.47 | 10.60 | 10,60.01 | 2,06.73 | 6,73.49 | 1,49.31 | 187,96.24 | 197,23.68 |
| Deductions | - | (41.10) | (0.15) | (3,17.74) | - | (1.11) | (1,35.21) | (38.59) | (28.87) | (1,80.80) | (7,43.57) | (187,96.24) |
| Other adjustments | 0.01 | 0.91 | 0.01 | 4.43 | 0.73 | 1.79 | 29.07 | (2.37) | 1.15 | (2.20) | 33.53 | - |
| **As at March 31, 2024** | **19,01.36** | **215,75.66** | **12,62.26** | **571,07.59** | **23,87.45** | **2,85.27** | **33,06.51** | **21,34.85** | **17,11.86** | **3,62.70** | **920,35.51** | **127,18.52** |
| **Accumulated depreciation:** | | | | | | | | | | | | |
| **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** | **-** |
| Reclassification | - | - | - | - | - | - | 1.55 | - | - | - | 1.55 | - |
| Depreciation for the year | - | 6,69.95 | 73.41 | 32,02.67 | 1,31.75 | 25.04 | 2,76.18 | 1,59.82 | 1,39.60 | 49.46 | 47,27.88 | - |
| Depreciation on deductions | - | (8.21) | (9.13) | (4,93.58) | (0.83) | (0.44) | (2,49.41) | (12.83) | (41.54) | (10.67) | (8,26.64) | - |
| **As at March 31, 2023 (Restated)** | **-** | **37,96.12** | **5,75.36** | **229,07.43** | **3,09.83** | **1,20.97** | **17,21.78** | **10,45.46** | **7,55.14** | **1,67.27** | **313,99.36** | **-** |
| Reclassification | - | (6.88) | - | 38.06 | (1.39) | (0.05) | 2.75 | 0.09 | (15.34) | (0.04) | 17.20 | - |
| Depreciation for the year | - | 7,67.87 | 1,40.00 | 32,85.66 | 2,09.33 | 31.26 | 4,62.98 | 1,70.73 | 2,17.48 | 37.61 | 53,22.92 | - |
| Depreciation on deductions | - | (12.43) | (0.15) | (2,47.55) | - | (0.71) | (1,35.19) | (36.58) | (28.28) | (96.34) | (5,57.23) | - |
| Other adjustments | - | 0.90 | 0.02 | 4.43 | 0.73 | 1.78 | 29.09 | (2.37) | 1.15 | (2.20) | 33.53 | |
| **As at March 31, 2024** | **-** | **45,45.58** | **7,15.23** | **259,88.03** | **5,18.50** | **1,53.25** | **20,81.41** | **11,77.33** | **9,30.15** | **1,06.30** | **362,15.78** | **-** |
| **Net carrying amount:** | | | | | | | | | | | | |
| **As at March 31, 2023 (Restated)** | 19,01.35 | 152,83.10 | 1,85.72 | 211,50.82 | 15,49.42 | 1,53.02 | 6,30.04 | 9,23.62 | 5,43.74 | 2,29.12 | 425,49.95 | 117,91.08 |
| **As at March 31, 2024** | **19,01.36** | **170,30.08** | **5,47.03** | **311,19.56** | **18,68.95** | **1,32.02** | **12,25.10** | **9,57.52** | **7,81.71** | **2,56.40** | **558,19.73** | **127,18.52** |

Notes:

(a) Includes an amount of ₹ 750/- (March 31, 2023 - ₹ 750/-) representing the value of shares in a co-operative housing society.

(b) The Company has not revalued any of its Property, plant and equipments.

**(c) Ageing of Capital work-in-progress (CWIP)**

| CWIP | Amount in CWIP 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, 2024** | **66,33.65** | **59,90.86** | **94.01** | **-** | **127,18.52** |
| Projects in progress as at March 31, 2023 | 108,33.57 | 9,57.51 | - | - | 117,91.08 |

**(d) Completion schedule for CWIP whose completion is over due or exceeded its cost compared to its original plan:**

As at March 31, 2024 and March 31, 2023, 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, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

(e) CWIP mainly comprises of plant and equipments. An amount of ₹ 80.58 Lakhs (March 31, 2023: ₹ 30.70 Lakhs) pertaining to borrowing costs capitalised during the period has been included under CWIP.

(f) The average rate used to determine the amount of borrowing cost eligible for capitalisation is 7.82 % (March 31, 2023: 6.82 %).

**3A RIGHT-OF-USE ASSET**

| | Land | Building | Total |
|---|---|---|---|
| **Gross carrying amount:** | | | |
| As at March 31, 2022 | 78.41 | 24,01.38 | 24,79.79 |
| Acquisitions through business combinations | 18,08.00 | - | 18,08.00 |
| Addition | - | 27,90.74 | 27,90.74 |
| Deductions | - | (8,38.48) | (8,38.48) |
| **As at March 31, 2023 (Restated)** | **18,86.41** | **43,53.64** | **62,40.05** |
| Addition | - | 41,79.07 | 41,79.07 |
| Deductions | - | (11,68.86) | (11,68.86) |
| **As at March 31, 2024** | **18,86.41** | **73,63.85** | **92,50.26** |
| **Accumulated Depreciation:** | | | |
| As at March 31, 2022 | 6.73 | 13,44.56 | 13,51.29 |
| Depreciation for the year | 8.24 | 7,43.28 | 7,51.52 |
| Depreciation on deductions | - | (8,38.48) | (8,38.48) |
| **As at March 31, 2023 (Restated)** | **14.97** | **12,49.36** | **12,64.33** |
| Depreciation for the year | 24.31 | 11,26.31 | 11,50.62 |
| Depreciation on deductions | - | (10,94.48) | (10,94.48) |
| Other Adjustments | 11.56 | - | 11.56 |
| **As at March 31, 2024** | **50.84** | **12,81.19** | **13,32.03** |
| **Net Carrying amount:** | | | |
| **As at March 31, 2023 (Restated)** | **18,71.44** | **31,04.28** | **49,75.72** |
| **As at March 31, 2024** | **18,35.57** | **60,82.66** | **79,18.23** |

Notes:

a) Immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company;

| Relevant line item in the Balance sheet | Description of item of property | Gross carrying value | WDV as at March 31, 2024 | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|---|---|
| Right-of-Use Asset | Leasehold Land at Ambernath | 18,07.94 | 17,65.82 | M/s. PRS Permacel Private Limited | No | 23rd April'2007 | Property is in the name of M/s. PRS Permacel Private Limited, now merged with Grindwell Norton Limited. It is in the process of being registered under the name of the Company. |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

## 4 INTANGIBLE ASSETS

| | Computer Software | Trade Marks | Non Compete Fees and Marketing Network | Patents | Brand Value | Total | Goodwill | Intangible Assets Under Development |
|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount:** | | | | | | | | |
| **As at March 31, 2022** | **15,71.85** | **23.97** | **1,17.90** | **-** | **-** | **17,13.72** | **48.80** | **86.59** |
| Acquisitions through business combinations | 10.00 | 15,35.00 | - | 81.00 | 23,90.00 | 40,16.00 | 46,29.86 | - |
| Reclassification | (18.89) | - | - | - | - | (18.89) | - | - |
| Additions (Refer note a) | 1,40.55 | - | - | - | - | 1,40.55 | - | 1,21.41 |
| Deductions | (56.68) | - | - | - | - | (56.68) | - | - |
| Transfer | - | - | - | - | - | - | - | (1,40.55) |
| **As at March 31, 2023 (Restated)** | **16,46.83** | **15,58.97** | **1,17.90** | **81.00** | **23,90.00** | **57,94.70** | **46,78.66** | **67.45** |
| Additions (Refer note a) | 3,06.47 | - | - | - | - | 3,06.47 | - | 31.67 |
| Deductions | (43.19) | - | - | - | - | (43.19) | - | - |
| Transfer | - | - | - | - | - | - | - | (67.45) |
| Other adjustments | 5.66 | 0.36 | - | 0.64 | - | 6.66 | - | - |
| **As at March 31, 2024** | **19,15.77** | **15,59.33** | **1,17.90** | **81.64** | **23,90.00** | **60,64.64** | **46,78.66** | **31.67** |
| **Accumulated amortisation:** | | | | | | | | |
| **As at March 31, 2022** | **6,45.73** | **-** | **1,17.90** | **-** | **-** | **7,63.63** | **-** | **-** |
| Reclassification | (1.55) | - | - | - | - | (1.55) | - | - |
| Amortisation for the year | 3,02.54 | - | - | 28.97 | - | 3,31.51 | - | - |
| Amortisation on deductions | (56.38) | - | - | - | - | (56.38) | - | - |
| **As at March 31, 2023 (Restated)** | **8,90.34** | **-** | **1,17.90** | **28.97** | **-** | **10,37.21** | **-** | **-** |
| Amortisation for the year | 3,63.02 | - | - | 28.94 | - | 3,91.96 | - | - |
| Amortisation on deductions | (43.19) | - | - | - | - | (43.19) | - | - |
| Other adjustments | 5.98 | 0.18 | - | 0.50 | - | 6.66 | - | - |
| **As at March 31, 2024** | **12,16.15** | **0.18** | **1,17.90** | **58.41** | **-** | **13,92.64** | **-** | **-** |
| **Net Carrying amount:** | | | | | | | | |
| **As at March 31, 2023 (Restated)** | **7,56.49** | **15,58.97** | **-** | **52.03** | **23,90.00** | **47,57.49** | **46,78.66** | **67.45** |
| **As at March 31, 2024** | **6,99.62** | **15,59.15** | **-** | **23.23** | **23,90.00** | **46,72.00** | **46,78.66** | **31.67** |

Note:

(a) Additions of intangbile asset held by the Company as purchased and not internally developed/acquired through business combinations.

(b) The Company has not revalued any of its intangible assets.

(c) **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, 2024** | **31.67** | **-** | **-** | **-** | **31.67** |
| Projects in progress as at March 31, 2023 | 42.36 | - | 25.09 | - | 67.45 |

(d) As at March 31, 2024 and March 31, 2023, 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, 2024

**(e) Impairment for Goodwill and indefinite life intangible asset**

The Company has identified its reportable segments, i.e. Abrasives and Ceramics & Plastics as the CGUs. The goodwill and indefinite-life intangible assets acquired through business combinations have been allocated to CGU 'Abrasives' and 'Ceramics & Plastics'.

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | **Abrasives** | **Ceramics & Plastics** | **Abrasives** | **Ceramics & Plastics** |
| **Carrying amount:** | | | | |
| Goodwill | **48.80** | **46,29.86** | 48.80 | 46,29.86 |
| Indefinite life intangible asset | **-** | **39,25.00** | - | 39,25.00 |
| **Total** | **48.80** | **85,54.86** | 48.80 | 85,54.86 |
| **Key Assumptions:** | | | | |
| Pre-tax discount rate | **25.00%** | **15.60%** | 25.00% | 15.60% |
| Long-term growth rate | **7.00%** | **17.00%** | 7.00% | 17.00% |

**Significant estimate: key assumptions used for value-in-use calculations**

The Company tests whether Goodwill and other indefinite life intangible asset has suffered any impairment on an annual basis. The recoverable amount has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

The estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Weighted Average Cost of Capital % (WACC) for the Company = Risk free return + (Market risk premium x Beta) + Additional risk premium.

| **5 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS** | **March 31, 2024** | March 31, 2023 (Restated) |
|---|---|---|
| **Unquoted Investments** | | |
| **Investment in Equity Instruments (at Fair Value through Other Comprehensive Income)** | | |
| John Oakey & Mohan Ltd. (Refer note a) | **0.16** | 0.16 |
| 1,900 (March 31, 2023 : 1,900) equity shares of ₹ 10/- each fully paid up | | |
| Andhra Pradesh Gas Power Corporation Ltd. (Refer note b) | **-** | - |
| 28,97,080 (March 31, 2023 : 28,97,080 ) equity shares of ₹ 10/- each fully paid up | | |
| Shivalik Solid Waste Management Ltd. (Refer note a) | **2.00** | 2.00 |
| 20,000 (March 31, 2023 : 20,000 ) equity shares of ₹ 10/- each fully paid up | | |
| In Fellow Subsidiaries : | | |
| Saint-Gobain India Pvt. Ltd. | **227,40.00** | 198,30.00 |
| 28,50,074 (March 31, 2023 : 28,50,074) equity shares of ₹ 10/- each fully paid up | | |
| Saint-Gobain India Foundation (Refer note a) | **0.01** | 0.01 |
| 100 (March 31, 2023 : 100) equity shares of ₹ 10/- each fully paid up | | |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

## 5 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| **Investment in Equity Instruments (at amortised cost)** | | |
| In Subsidiaries : | | |
| Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd. | **20,34.36** | 20,34.36 |
| 20,29,597 (March 31, 2023 : 20,29,597) equity shares of Bhutanese Ngultrum 100/- each fully paid up | | |
| In Joint venture : | | |
| SG Shinagawa Refractories India Private Limited | **-** | 11,27.00 |
| ₹ Nil (March 31, 2023 : 1,12,70,000) equity shares of ₹ 10/- each fully paid up | | |
| Advanced Synthetic Minerals Private Limited | **15,00.00** | - |
| 96,00,000 (March 31, 2023 : ₹ Nil ) equity shares of ₹ 10/- each fully paid up | | |
| In Associate : | | |
| Cleanwin Energy Three LLP | **15.00** | 15.00 |
| (Represents capital contribution to the extent of 27.27% of total capital) | | |
| | **262,91.53** | 230,08.53 |
| Aggregate amount of quoted investments | **-** | - |
| Aggregate market value of quoted investments | **-** | - |
| Aggregate amount of unquoted investments | **262,91.53** | 230,08.53 |
| Aggregate amount of impairment in value of investments | **-** | - |

Notes:

(a) The change on account of fair value of these investments are immaterial, hence no impact has been considered.

(b)The Company based on its best judgement and estimate has assessed the fair value of its investment in Andhra Pradesh Gas Power Corporation Ltd. to be ₹ Nil (March 31, 2023 - ₹ Nil).

## 6 NON-CURRENT FINANCIAL ASSETS - LOANS

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| Loans Receivables considered good – Unsecured | | |
| - Loan to Employees* | **7,78.32** | 6,28.63 |
| | **7,78.32** | 6,28.63 |

* includes loan to a Key Managerial Person as defined under Companies Act, 2013, of ₹ 1,75.50 lakhs (March 31, 2023 - ₹ 1,10.94 lakhs) excluding fair valuation impact.

## 7 NON-CURRENT - OTHER FINANCIAL ASSETS

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| Unsecured - considered good | | |
| Bank deposits | **14,00.00** | 35,32.55 |
| (Deposit with remaining maturity of more than 12 months) | | |
| [(₹ Nil: March 31, 2024) Includes ₹ 24,84.00 lakhs lien with a bank for a term loan as on March 31, 2023] | | |
| Security deposits | **14,93.13** | 14,69.90 |
| Unsecured and considered doubtful | | |
| Advances recoverable in cash or in kind | **40.49** | 40.49 |
| Less: Provision for doubtful advances | **(40.49)** | (40.49) |
| | **28,93.13** | 50,02.45 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| **8** | **NON-CURRENT - INCOME TAX ASSETS (Net)** | | |
| | Income tax assets [Net of provision for tax of ₹ 354,25.35 lakhs (March 31, 2023 - ₹ 397,21.38 lakhs)] | **5,96.64** | 7,69.35 |
| | | **5,96.64** | 7,69.35 |
| **9** | **OTHER NON-CURRENT ASSETS** | | |
| | Unsecured - considered good | | |
| | Capital advances | **21,41.46** | 43,83.10 |
| | Advances other than capital advances: | | |
| | - Deposits with government authorities | **90.86** | 69.29 |
| | - Prepaid expenses | **78.03** | 85.90 |
| | - Balance with government authorities | **70.94** | 76.54 |
| | | **23,81.29** | 46,14.83 |
| **10** | **CURRENT ASSETS - INVENTORIES** | | |
| | (The mode of valuation of inventories has been stated in Note : 1.3 (C)) | | |
| | Raw materials [Includes in transit: ₹ 34,05.78 lakhs (March 31, 2023 - ₹ 19,62.53 lakhs)] | **212,99.95** | 199,65.32 |
| | Work-in-progress | **80,05.12** | 85,08.96 |
| | Finished goods [(Includes in transit - ₹ 3,97.99 lakhs (March 31, 2023 - ₹ 13,58.39 lakhs)] | **70,40.20** | 78,29.87 |
| | Stock in trade [(Includes in transit - ₹ 6,91.17 lakhs (March 31, 2023 - ₹ 4,78.63 lakhs)] | **91,27.23** | 68,72.19 |
| | Stores and spares | **8,75.30** | 9,62.53 |
| | Packing materials | **10,63.71** | 9,76.05 |
| | | **474,11.51** | 451,14.92 |

Notes:

(a) Packing Materials are disclosed seperately from Raw Materials for better presentation

(b) Net of write-downs of inventories amounting to ₹ 6,63.26 lakhs (March 31, 2023 - ₹ 44.60 lakhs) are charged off in the statement of profit and loss.

| | | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| **11** | **CURRENT FINANCIAL ASSETS - INVESTMENTS** | | |
| | **Quoted Investments** | | |
| | Investment in mutual funds (at Fair Value through Profit and Loss) | **447,25.64** | 435,22.82 |
| | | **447,25.64** | 435,22.82 |
| | Aggregate amount of quoted investments | **447,25.64** | 435,22.82 |
| | Aggregate market value of quoted investments | **447,25.64** | 435,22.82 |
| | Aggregate amount of unquoted investments | **-** | - |
| | Aggregate amount of impairment in value of investments | **-** | - |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

## 12 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| Trade Receivables -Secured and considered good | **-** | - |
| Trade Receivables -Unsecured and considered good - others | **295,79.36** | 210,05.16 |
| Trade Receivables - Unsecured and considered good - Related Parties (Refer Note No. 49)* | **56,76.42** | 67,38.14 |
| Trade Receivables which has significant increase in credit risk | **-** | - |
| Trade Receivables - credit impaired | **7,75.57** | 6,64.92 |
| | **360,31.35** | 284,08.22 |
| Less: Allowance for bad and doubtful debts | **(7,75.57)** | (6,64.92) |
| | **352,55.78** | 277,43.30 |

*Includes ₹ 9,42.05 lakhs (March 31, 2023 - ₹ 10,90.27 lakhs) due from a private company in which the director of the Company is a Director.

**Ageing of trade receivables:**

| As at March 31, 2024 | Outstanding for the following period from the due date payment: | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Particulars** | **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) | - | 183,76.87 | 157,08.59 | 11,70.32 | - | - | - | 352,55.78 |
| Undisputed trade receivables - credit impaired | - | - | - | 74.72 | 3,50.97 | - | 1,80.52 | 6,06.21 |
| Disputed trade receivables – considered good (Unsecured) | - | - | - | - | - | - | - | - |
| Disputed trade receivables - credit impaired | - | - | - | - | 22.95 | 23.44 | 1,22.97 | 1,69.36 |
| **Total** | **-** | **183,76.87** | **157,08.59** | **12,45.04** | **3,73.92** | **23.44** | **3,03.49** | **360,31.35** |

| As at March 31, 2023 | Outstanding for the following period from the due date payment: | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Particulars** | **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) | - | 166,47.30 | 108,78.77 | 2,11.98 | 0.08 | - | 5.17 | 277,43.30 |
| Undisputed trade Receivables - credit impaired | - | - | - | 50.64 | 1,35.02 | 15.14 | 4,64.12 | 6,64.92 |
| Disputed trade receivables – considered good (Unsecured) | - | - | - | - | - | - | - | - |
| Disputed trade receivables - credit impaired | - | - | - | - | - | - | - | - |
| **Total** | **-** | **166,47.30** | **108,78.77** | **2,62.62** | **1,35.10** | **15.14** | **4,69.29** | **284,08.22** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

## 13 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| Balances with banks | | |
| - In current accounts | **19,44.83** | 8,15.84 |
| - In deposit accounts with original maturity of less than 3 months | **29,00.00** | 26,00.00 |
| Cash on hand | **-** | 0.30 |
| | **48,44.83** | 34,16.14 |

## 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 remaining maturity | **161,89.53** | 97,25.00 |
| Earmarked balances with banks | | |
| - Margin money deposits (security for bank guarantees and lien with excise authorities) | **8.30** | 7.29 |
| - Unpaid dividend | **1,96.34** | 1,82.29 |
| | **163,94.17** | 99,14.58 |

## 15 CURRENT FINANCIAL ASSETS - LOANS

| | | |
|---|---|---|
| Loans Receivables considered good – Unsecured | | |
| - Loan to Employees* | **1,53.65** | 1,12.27 |
| | **1,53.65** | 1,12.27 |

* Includes loan to a Key Managerial Person as defined under the Companies Act, 2013 of ₹ 26.00 lakhs (March 31, 2023 - ₹ 18.75 lakhs ) excluding fair valuation impact.

## 16 CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| Unsecured - considered good | | |
| Derivatives- Foreign-exchange forward contracts | **53.27** | - |
| Employee advances | **3,04.11** | 2,49.57 |
| Security deposit | **3,40.24** | 95.13 |
| Interest receivable | **6,41.46** | 3,13.50 |
| Others* | **10,45.77** | 3,65.23 |
| | **23,84.85** | 10,23.43 |

*Includes receivable from related parties - ₹ 4,02.11 Lakhs (March 31, 2023 - ₹ 2,06.25 lakhs)

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| 17 OTHER CURRENT ASSETS | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| Unsecured - considered good, unless otherwise stated | | |
| Export benefit receivable | **77.09** | 73.01 |
| Advances other than capital advances | | |
| - Prepaid expenses (refer note 38.2) | **4,90.08** | 3,84.20 |
| - Balances with government authorities | **14,40.36** | 13,79.58 |
| - Advances to suppliers | | |
| Considered good* | **23,23.88** | 25,76.05 |
| Considered Doubtful | **1,62.05** | 1,62.05 |
| | **24,85.93** | 27,38.10 |
| Less-Allowance for doubtful advances | **(1,62.05)** | (1,62.05) |
| | **43,31.41** | 44,12.84 |

*Includes advance to related parties - ₹ 4,06.99 lakhs (March 31, 2023 - ₹ 28.54 lakhs)

| 18 EQUITY SHARE CAPITAL | | |
|---|---|---|
| **AUTHORISED** | | |
| 13,20,00,000 (March 31, 2023 : 11,20,00,000) Equity shares of ₹ 5/- each | **66,00.00** | 56,00.00 |
| **ISSUED, SUBSCRIBED AND PAID UP** | | |
| 11,07,20,000 (March 31, 2023: 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, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | **Number of shares** | **% of Holding** | **% Change during the year 2023-24** | Number of shares | % of Holding | % Change during the year 2022-23 |
| 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% | - |
| Vera Anand Mahajan | **18,89,115** | **1.71%** | **-** | 18,89,115 | 1.71% | - |
| Khursheed M Narang | **14,82,515** | **1.34%** | **-** | 14,82,515 | 1.34% | - |
| 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 | **10,47,000** | **0.95%** | **0.39%** | 6,17,000 | 0.56% | - |
| Anand Yashavant Mahajan | **5,09,904** | **0.46%** | **-** | 5,09,904 | 0.46% | - |
| Mikhil M Narang | **5,069** | **0.00%** | **-0.39%** | 4,35,069 | 0.39% | -0.04% |
| 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, 2024

*(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, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | **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 shareholder's holding more than 5 % of total equity share capital

**(c) Movement in Equity Share Capital:**

**Authorised Share Capital**

| | **Number of shares** | **Amount** |
|---|---|---|
| As at March 31, 2022 | 11,20,000.00 | 56,00.00 |
| Change during the year | - | - |
| As at March 31, 2023 | 11,20,000.00 | 56,00.00 |
| Change during the year | 2,00,000.00 | 10,00.00 |
| **As at March 31, 2024** | **13,20,000.00** | **66,00.00** |

**Issued and paid-up Share Capital**

| | **Number of shares** | **Amount** |
|---|---|---|
| As at March 31, 2022 | 11,07,200.00 | 55,36.00 |
| Change during the year | - | - |
| As at March 31, 2023 | 11,07,200.00 | 55,36.00 |
| Change during the year | - | - |
| **As at March 31, 2024** | **11,07,200.00** | **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) There are no shares reserved for issue under options and contracts or commitment for the sale of shares or disinvestments.

(f) During the period of five years immediately preceding the date as at which the balance sheet is prepared:

- The Company has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash.
- The Company has not allotted the fully paid up bonus shares.
- The Company has not bought back any of its equity shares.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| **19** | **OTHER EQUITY** | | |
| | Reserves and surplus (Refer Note 19 (a)) | **1,820,26.01** | 1,598,92.36 |
| | Other items of equity (Refer Note 19 (b)) | **175,42.59** | 150,07.21 |
| | | **1,995,68.60** | 1,748,99.57 |
| **19(a)** | **RESERVES AND SURPLUS** | | |
| | Securities premium | **27,90.82** | 27,90.82 |
| | General reserve | **402,01.34** | 402,01.34 |
| | Retained earnings | **1,390,33.85** | 1,169,00.20 |
| | | **1,820,26.01** | 1,598,92.36 |
| | **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 | **1,169,00.20** | 936,79.29 |
| | Net profit for the period | **380,71.69** | 365,91.11 |
| | Items of other comprehensive income | | |
| | Remeasurement of post employment benefit obligation (net of tax) | **1,16.36** | (83.80) |
| | Appropriations | | |
| | Dividend | **(160,54.40)** | (132,86.40) |
| | [Dividend per share ₹ 14.50 for the year 2022-23 (2021-2022- ₹ 12.00)] | | |
| | | **1,390,33.85** | 1,169,00.20 |

**19(b) Other Items of Equity**

| | Equity Instruments through Other Comprehensive Income | Share Based Payment Plan Account | Revaluation Surplus | Total |
|---|---|---|---|---|
| As at March 31, 2022 | 127,23.97 | 10,37.41 | 3,35.34 | 140,96.72 |
| Change in fair value of equity instruments through Other Comprehensive Income, net of tax | 7,71.76 | - | - | 7,71.76 |
| Share based payment (Refer Note 47) | - | 1,38.73 | - | 1,38.73 |
| As at March 31, 2023 | 134,95.73 | 11,76.14 | 3,35.34 | 150,07.21 |
| Change in fair value of equity instruments through Other Comprehensive Income, net of tax | 23,71.65 | - | - | 23,71.65 |
| Share based payment (Refer Note 47) | - | 1,63.73 | - | 1,63.73 |
| **As at March 31, 2024** | **158,67.38** | **13,39.87** | **3,35.34** | **175,42.59** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(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 premium is to be utilised in accordance with the provisions of the Act.

**(ii) General reserve**

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

**(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 accumalated 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 above reserve relates to share options granted by the Ultimate Holding Company to specific employees of its subsidiaries under its employee stock option plan. Further information about share-based payments to employees is set out in Note 47.

**(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. The surplus can be utilised as per the provisions of the Act.

**20A NON-CURRENT FINANCIAL LIABILITIES -BORROWINGS**

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| Term Loan - from Bank | **6,36.19** | 3,95.18 |
| | **6,36.19** | 3,95.18 |

The Company had been sanctioned a secured term loan in the earlier years amounting to ₹ 25,00.00 lakhs from Axis Bank for purchase of capital assets. The sanctioned loan has been modified during the year to unsecured term loan. The loan is repayable in 60 equal monthly installments from the date of first disbursement and carries interest linked to 6 M MCLR of the bank (presently 9.05% p.a.) (7% p.a. as at March 31, 2023). The Company has taken an disbursement amounting to ₹ 21,38.21 lakhs as at March 31, 2024 (₹ 13,96.07 lakhs as at March 31, 2023) for stated purpose.

**20B NON-CURRENT FINANCIAL LIABILTIES - LEASE LIABILITIES**

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| Lease liabilities (Refer Note 45B) | **53,27.66** | 24,36.83 |
| | **53,27.66** | 24,36.83 |

**21 NON-CURRENT LIABILTIES - PROVISIONS**

| | | |
|---|---|---|
| Compensated absences | **36,71.67** | 35,15.15 |
| Gratuity | **-** | 3,98.27 |
| Others (Refer Note 21.1) | **12,88.24** | 12,88.24 |
| | **49,59.91** | 52,01.66 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**21.1 Details of other provisions**

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| Opening Balance | **12,88.24** | 12,88.24 |
| Provision made during the year | **-** | - |
| Paid/reversed during the year | **-** | - |
| | **12,88.24** | 12,88.24 |

**22 DEFERRED TAX LIABILITIES (NET)**

| | | |
|---|---|---|
| **Deferred Tax Liabilities** | | |
| The balance comprises temporary differences attributable to: | | |
| Property, plant and equipment and intangible assets | **22,71.12** | 21,30.06 |
| financial assets at FVOCI | **21,39.83** | 16,01.53 |
| **Total deferred tax liabilities** | **44,10.95** | 37,31.59 |
| **Deferred Tax Asset** | | |
| The balance comprises temporary differences attributable to: | | |
| Provision for employee benefits | **(18,77.63)** | (16,31.57) |
| Minimum Alternate Tax credit entitlement | **-** | (1,88.96) |
| Others | **(3,23.42)** | (5,25.78) |
| **Total deferred tax asset** | **(22,01.05)** | (23,46.31) |
| | **22,09.90** | 13,85.28 |

**Movement in deferred tax Liabilities and Asset**

| | Property, plant and equipment and Intangible assets | Provision for employee benefits | Financial Assets at FV OCI | Others | Total |
|---|---|---|---|---|---|
| As at March 31, 2022 | 17,86.10 | (12,71.00) | 15,50.29 | (5,14.92) | 15,50.47 |
| Charged/(credited): | | | | | |
| - acquired through business combination | 3,10.11 | (1,78.19) | - | (2,07.13) | (75.21) |
| - to profit and loss | 33.85 | (1,82.38) | - | 7.31 | (1,41.22) |
| - to other comprehensive income | - | - | 51.24 | - | 51.24 |
| As at March 31, 2023 | 21,30.06 | (16,31.57) | 16,01.53 | (7,14.74) | 13,85.28 |
| Charged/(credited): | | | | | |
| - Minimum Alternate Tax credit written off | - | - | - | 1,40.55 | 1,40.55 |
| - to profit and loss | 1,41.06 | (2,46.06) | - | 2,50.77 | 1,45.77 |
| - to other comprehensive income | - | - | 5,38.30 | - | 5,38.30 |
| **As at March 31, 2024** | **22,71.12** | **(18,77.63)** | **21,39.83** | **(3,23.42)** | **22,09.90** |

**23 NON-CURRENT LIABILITIES - OTHER NON-CURRENT LIABILITIES**

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| Deferred income liability | **31.03** | 42.02 |
| | **31.03** | 42.02 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| **24A** | **CURRENT FINANCIAL LIABILITIES -BORROWINGS** | | |
| | Current maturities of long term borrowing (Refer Note 20A) | **5,00.00** | 5,12.37 |
| | | **5,00.00** | 5,12.37 |
| **24B** | **CURRENT FINANCIAL LIABILITIES -LEASE LIABILITIES** | | |
| | Lease liabilities (Refer Note 45B) | **10,13.34** | 8,05.66 |
| | | **10,13.34** | 8,05.66 |
| **25** | **CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES** | | |
| | Total outstanding due to Micro Enterprises and Small Enterprises (Refer Note 50) | **5,78.73** | 9,16.38 |
| | Total outstanding due to creditors other than Micro Enterprises and Small Enterprises | **265,39.24** | 192,05.17 |
| | Total outstanding due to related parties (Refer Note 49) | **90,43.73** | 72,59.67 |
| | | **361,61.70** | 273,81.22 |

**Ageing of trade payables:**

| **As at March 31, 2024** | **Outstanding for the following period from the due date payment:** | | | | | | |
|---|---|---|---|---|---|---|---|
| **Particular** | **Unbilled** | **Not Due** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| (i) Micro and Small Enterprises | - | 5,14.52 | 36.34 | 4.87 | - | 23.00 | 5,78.73 |
| (ii) Others | 171,73.59 | 140,82.79 | 41,76.03 | 34.42 | 46.60 | 69.54 | 355,82.97 |
| (iii) Disputed dues – Micro and Small Enterprises | - | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - | - |
| | **171,73.59** | **145,97.31** | **42,12.37** | **39.29** | **46.60** | **92.54** | **361,61.70** |
| **As at March 31, 2023** | **Outstanding for the following period from the due date payment:** | | | | | | |
| **Particular** | **Unbilled** | **Not Due** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| (i) Micro and Small Enterprises | - | 5,29.61 | 3,41.66 | 9.83 | 30.78 | 4.50 | 9,16.38 |
| (ii) Others | 119,88.59 | 107,78.95 | 32,86.07 | 3,13.15 | 33.99 | 64.09 | 264,64.84 |
| (iii) Disputed dues – Micro and Small Enterprises | - | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - | - |
| | **119,88.59** | **113,08.56** | **36,27.73** | **3,22.98** | **64.77** | **68.59** | **273,81.22** |

Refer note 50 for disclosure required under Micro, Small and Medium Enterprises Development Act, 2006.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

## 26 CURRENT - OTHER FINANCIAL LIABILITIES

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| Trade / security deposits | **16,23.00** | 13,61.43 |
| Unpaid Dividend (Refer note a) | **1,96.34** | 1,82.29 |
| Commission due to directors | **1,00.00** | 1,00.00 |
| Payable for discounts to dealers | **29,34.08** | 19,69.77 |
| Derivatives- Foreign-exchange forward contracts | **-** | 4,41.39 |
| Capital creditors (Refer note b) | **8,25.30** | 22,40.52 |
| Employee related payables | **36,09.39** | 27,47.54 |
| | **92,88.11** | 90,42.94 |

Notes:

(a) The Company has transferred the amounts required to be transferred to the Investor Education and Protection Fund (IEPF) within due date, except ₹ 1.68 lakhs (₹ 1.43 lakhs as at March 31, 2023), which is held in abeyance, for cases where disputes relating to ownership of the underlying shares have remained unresolved.

(b) Refer note 50 for disclosure required under Micro, Small and Medium Enterprises Development Act, 2006.

## 27 CURRENT LIABILTIES - PROVISIONS

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| Compensated absences | **10,05.47** | 7,99.16 |
| Gratuity (Refer Note 35.1) | **7,61.54** | 8,71.26 |
| Others (Refer Note 27.1) | **17,27.02** | 9,06.36 |
| | **34,94.03** | 25,76.78 |

### 27.1 Details of other provisions

| | Warranty Provision | Others | Total |
|---|---|---|---|
| Opening balance as at March 31, 2022 | - | 16,93.23 | 16,93.23 |
| Provision made during the year | - | 1,50.36 | 1,50.36 |
| Paid/reversed during the year | - | (9,37.23) | (9,37.23) |
| Closing balance as at March 31, 2023 | - | 9,06.36 | 9,06.36 |
| Provision made during the year | 8,00.39 | 62.74 | 8,63.13 |
| Paid/reversed during the year | - | (42.47) | (42.47) |
| Closing Balance as at March 31, 2024 | **8,00.39** | **9,26.63** | **17,27.02** |

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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| **28** | **CURRENT TAX LIABILITIES** | | |
| | Income Tax [Net of advance tax of ₹ 309,80.59 lakhs (March 31, 2023 - ₹ 561,69.92 lakhs)] | **7,90.04** | 25,41.31 |
| | | **7,90.04** | 25,41.31 |
| **29** | **OTHER CURRENT LIABILITIES** | | |
| | Statutory liabilities | **22,32.16** | 24,18.07 |
| | Deferred income liability | **14.50** | 14.39 |
| | Advance from customers* | **25,18.39** | 29,15.16 |
| | | **47,65.05** | 53,47.62 |
| | *Includes advances from related parties - ₹ 2,05.40 lakhs (March 31, 2023 - ₹ 7,79.86 lakhs) | | |
| **30** | **REVENUE FROM OPERATIONS** | | |
| | Sale of products (Refer Note 30.1) | **2,403,80.02** | 2,330,48.36 |
| | Service Income | **230,42.03** | 177,12.83 |
| | Other operating revenue | **17,45.85** | 16,14.49 |
| | | **2,651,67.90** | 2,523,75.68 |
| **30.1** | **Sale of products** | | |
| | Abrasives | **1,349,18.55** | 1,267,94.72 |
| | Ceramics & Plastics | **1,008,14.30** | 1,002,26.51 |
| | Others | **46,47.17** | 60,27.13 |
| | | **2,403,80.02** | 2,330,48.36 |
| **30.2** | **Reconciliation of revenue recognised with contract price** | | |
| | Revenue from contracts with customers at contract price | **2,571,79.65** | 2,457,83.20 |
| | Less : Discounts and rebates on sale of products | **(62,42.40)** | (49,77.99) |
| | | **2,634,22.05** | 2,507,61.19 |
| | Other operating revenue | **17,45.85** | 16,14.49 |
| | **Revenue from operations** | **2651,67.90** | 2,523,75.68 |
| **31** | **OTHER INCOME** | | |
| | Interest income | | |
| | - Investments in fixed deposits | **14,40.60** | 8,08.70 |
| | - Others | **71.49** | 1,05.39 |
| | Interest income from financial assets at amortised cost | **24.48** | 14.51 |
| | Dividend income | **9,40.52** | 6,27.42 |
| | Net gain on redemption of investments in mutual fund | **23,61.29** | 19,21.98 |
| | Net gain on investments in mutual fund measured at fair value through profit or loss | **4,62.78** | 1,51.91 |
| | Net gain on foreign currency transactions | **23.10** | - |
| | Unwinding of discount on security deposits | **37.14** | 22.54 |
| | Other non-operating income | **14,69.68** | 19,48.34 |
| | | **68,31.08** | 56,00.79 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| **32** | **COST OF MATERIALS CONSUMED** | | |
| | Opening inventories of raw materials | **199,65.32** | 219,48.89 |
| | Add : Acquisitions through business combinations | **-** | 11,79.41 |
| | Add : Purchases | **886,58.68** | 891,56.09 |
| | Less: Closing inventories of raw materials | **(212,99.95)** | (199,65.32) |
| | | **873,24.05** | 923,19.07 |
| **33** | **PURCHASE OF STOCK-IN-TRADE** | | |
| | Abrasives | **223,58.86** | 181,74.39 |
| | Ceramics & Plastics | **82,67.24** | 65,37.85 |
| | Others | **27,05.34** | 19,95.70 |
| | | **333,31.44** | 267,07.94 |
| 34 | **CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN -TRADE AND FINISHED GOODS** | | |
| | **Opening inventories of** | | |
| | Finished goods | **78,29.87** | 65,41.91 |
| | Stock-in-trade | **68,72.19** | 59,59.80 |
| | Work-In-progress | **85,08.96** | 72,52.94 |
| | | **232,11.02** | 197,54.65 |
| | Add : Acquisitions through business combinations | **-** | 10,05.50 |
| | **Less : Closing inventories of** | | |
| | Finished goods | **(70,40.20)** | (78,29.87) |
| | Stock-in-trade | **(91,27.23)** | (68,72.19) |
| | Work-in-progress | **(80,05.11)** | (85,08.96) |
| | | **(241,72.54)** | (232,11.02) |
| | | **(9,61.52)** | (24,50.87) |
| **35** | **EMPLOYEE BENEFITS EXPENSE** | | |
| | Salaries, wages and bonus | **270,87.40** | 246,77.20 |
| | Share based payments | **1,63.73** | 1,38.73 |
| | Contribution to provident, other funds and gratuity (refer note 35.1) | **20,20.63** | 18,85.63 |
| | Staff welfare | **30,19.36** | 27,42.73 |
| | | **322,91.12** | 294,44.29 |
| **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 | **11,74.51** | 11,13.81 |
| | Employer's contribution to superannuation fund | **71.98** | 68.43 |
| | Other contributions | **14.95** | 27.49 |
| | 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

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, 2024:

| | | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| i) | **Change in present value of defined benefit obligation** | | |
| | Present Value of defined benefit obligation at the beginning of the year | **91,72.35** | 82,36.37 |
| | Interest Cost | **7,24.01** | 5,88.90 |
| | Current service cost | **7,59.19** | 6,75.90 |
| | Liability Transferred in on transfer of employees | **5,19.83** | - |
| | Benefits paid | **(5,49.26)** | (4,71.15) |
| | Actuarial changes arising from changes in demographic assumptions | **(2,29.29)** | - |
| | Actuarial changes arising from changes in financial assumptions | **2,34.91** | (1,65.06) |
| | Actuarial changes arising from experience assumptions | **(93.54)** | 3,07.39 |
| | Present Value of defined benefit obligation at the end of the year | **105,38.17** | 91,72.35 |
| ii) | **Change in fair value of plan assets** | | |
| | Fair Value of plan assets at the beginning of the year | **83,64.37** | 79,55.84 |
| | Interest Income | **6,25.80** | 5,68.84 |
| | Contributions paid by the employer | **12,55.07** | 2,80.49 |
| | Assets Transferred on transfer of employees | **13.09** | - |
| | Benefits paid from the fund | **(5,49.26)** | (4,71.14) |
| | Return on plan assets, excluding interest income | **67.57** | 30.34 |
| | Fair Value of plan assets at the end of the year | **97,76.64** | 83,64.37 |
| iii) | **Net asset / (liability) recognised in the Balance Sheet** | | |
| | Present Value of defined benefit obligation at the end of the year | **(105,38.17)** | (91,72.35) |
| | Fair Value of plan assets at the end of the year | **97,76.64** | 83,64.37 |
| | Amount recognised in the balance sheet | **(7,61.54)** | (8,07.98) |
| | Net Asset / (Liability) recognised - current | **(7,61.54)** | (8,71.26) |
| | Net Asset / (Liability) recognised - non current | **-** | (3,98.27) |
| iv) | **Expense recognised in the statement of profit and loss for the year** | | |
| | Current service cost | **7,59.19** | 6,75.90 |
| | Interest cost on defined benefit obligation | **98.21** | 20.06 |
| | Total expenses included in statement of profit and loss | **8,57.39** | 6,95.96 |
| v) | **Recognised in Other Comprehensive Income for the year** | | |
| | Actuarial changes arising from changes in demographic changes | | |
| | Actuarial changes arising from changes in financial assumptions | **2,34.91** | (1,65.06) |
| | Actuarial changes arising from experience assumptions | **(93.54)** | 3,07.39 |
| | Actuarial changes arising from changes in demographic assumptions | **(2,29.29)** | - |
| | Actuarial Losses/(Gains) on Obligation for the period | **(87.93)** | 1,42.33 |
| | Return on plan assets, excluding interest income | **(67.57)** | (30.34) |
| | Recognised in other comprehensive income | **(1,55.50)** | 1,11.99 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| **vi)** | **Actuarial Assumptions** | | |
| | Expected return on plan assets | **7.19%** | 7.47% |
| | Rate of Discounting | **7.19%** | 7.47% |
| | Rate of Salary Increase | **9.00%** | 9.00% |
| | Rate of Employee Turnover | **For service period 4 years and below 16.00% p.a. For service period 5 years and above 9.00% p.a.** | For service period 4 years and below 8.00% p.a. For service period 5 years and above 5.00% p.a. |
| | Mortality Rate During Employment | **Indian Assured Lives Mortality 2012-14 (Urban)** | Indian Assured Lives Mortality 2012-14 (Urban) |
| **vii)** | **Sensitivity Analysis** | | |
| | Projected Benefit Obligation on Current Assumptions | **105,38.17** | 91,72.35 |
| | Delta Effect of +0.5% Change in Rate of Discounting | **(2,15.25)** | (2,44.80) |
| | Delta Effect of -0.5% Change in Rate of Discounting | **2,27.08** | 2,60.96 |
| | Delta Effect of +0.5% Change in Rate of Salary Increase | **2,22.17** | 2,55.97 |
| | Delta Effect of -0.5% Change in Rate of Salary Increase | **(2,12.72)** | (2,42.55) |
| | Delta Effect of +0.5% Change in Rate of Employee Turnover | **(27.33)** | (28.96) |
| | Delta Effect of -0.5% Change in Rate of Employee Turnover | **28.44** | 30.21 |
| | 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.

**viii) Maturity profile of defined benefit obligation**

The weighted average duration of the defined benefit obligation is 5 years (March 31, 2023 - 7 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, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| 1st Following Year | **1,955.12** | 1,320.86 |
| 2nd Following Year | **2,088.24** | 1,743.09 |
| 3rd Following Year | **1,416.66** | 821.77 |
| 4th Following Year | **13,45.54** | 8,97.62 |
| 5th Following Year | **8,03.26** | 11,36.05 |
| Sum of Years 6 To 10 | **35,12.54** | 32,85.33 |
| Sum of Years 11 and above | **45,06.35** | 68,12.32 |
| **ix) Major categories of plan assets are as follows:** | | |
| Insurer managed funds | **97,76.64** | 83,64.37 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**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 ₹ 9,77.51 lakhs (March 31, 2023: ₹ 8,38.60 lakhs) to the defined benefit plans during the next financial year.

| | | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| **36** | **FINANCE COSTS** | | |
| | Interest expense* | **1,37.21** | 5,32.60 |
| | Interest cost on defined benefit obligation (net) | **98.21** | 20.06 |
| | Interest expense on lease liabilities | **4,56.61** | 2,00.07 |
| | | **6,92.03** | 7,52.73 |
| | *Net of borrowing cost capitalised of ₹ 80.58 Lakhs (March 31, 2023: ₹ 30.70 Lakhs) | | |
| **37** | **DEPRECIATION AND AMORTISATION EXPENSE** | | |
| | Depreciation of property, plant and equipment | **53,40.12** | 47,29.44 |
| | Depreciation of right-of-use assets | **11,50.62** | 7,51.52 |
| | Amortisation of intangible assets | **3,91.96** | 3,29.96 |
| | | **68,82.70** | 58,10.92 |
| **38** | **OTHER EXPENSES** | | |
| | Consumption of stores and spares | **50,28.51** | 46,74.90 |
| | Processing charges | **44,84.24** | 38,39.82 |
| | Power and fuel | **114,12.69** | 107,39.14 |
| | Freight and packing expenses | **115,45.77** | 114,75.70 |
| | Rent / lease payment | **6,99.98** | 8,01.37 |
| | Repairs and maintenance | | |
| | Building | **4,24.84** | 4,51.69 |
| | Machinery | **7,45.89** | 8,22.45 |
| | Others | **3,67.52** | 1,99.82 |
| | | **15,38.25** | 14,73.96 |
| | Insurance | **4,32.59** | 3,08.85 |
| | Rates and taxes | **3,16.27** | 2,49.95 |
| | Travelling and conveyance | **27,92.93** | 27,90.24 |
| | Commission | **6,98.83** | 8,42.15 |
| | Royalties | **45,18.21** | 41,78.15 |
| | Loss on assets discarded /sold (net) | **1,12.76** | 63.02 |
| | External service charges | **83,08.73** | 67,91.15 |
| | Bad debts and advances written off | **45.23** | 1,30.45 |
| | Provision/(recovery) of doubtful debts (net) | **34.02** | (1,67.41) |
| | Net loss on foreign currency transactions | **-** | 7,32.04 |
| | Payments to auditor (Refer Note 38.1) | **61.26** | 45.80 |
| | Corporate social responsibility expenditure (Refer Note 38.2) | **7,48.00** | 617.27 |
| | Miscellaneous expenses | **88,58.30** | 67,21.34 |
| | | **616,36.57** | 563,07.89 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**38.1 Payments to auditor**

| | | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| (i) | Audit fees | **47.50** | 42.00 |
| (ii) | For taxation matters (including tax audit) | **9.70** | 3.50 |
| (iii) | For other services | **1.85** | 0.30 |
| (iv) | For reimbursement of expenses | **2.21** | - |
| | | **61.26** | 45.80 |

**38.2 Corporate social responsibility expenditure**

The Company CSR activities includes promotion of education among underprivileged children, driving education, skilling and supported employment of persons with disabilities and improving the infrastructure at local government/Angandwadi schools. (March 31, 2023 - CSR activities include promotion of education and rural road development)

| | **Particulars** | | |
|---|---|---|---|
| (i) | Gross amount required to be spent by the Company during the year* | **7,48.00** | 6,17.27 |
| (ii) | Actual amount spent/(paid) during the year towards - | | |
| | (a) Construction/ acquisition of any asset | **-** | - |
| | (b) For purposes other than (a) above | **7,80.21** | 6,22.80 |
| (iii) | Shortfall at the end of the year | **-** | - |
| (iv) | Total of previous years shortfall | **-** | - |
| (v) | Reason for shortfall | **Not Applicable** | Not Applicable |
| (vi) | Details of related party transfer - Contribution to Saint-Gobain India Foundation (Refer Note 49) | **-** | 5,77.32 |

Note: Amount available for set-off in succeeding financial years is ₹ 32.21 lakhs accounted as prepaid expenses under note 17

*Net off excess contribution of previous year of ₹ 38.87 lakhs

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**39 Exceptional item**

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| Loss on sale of investment in joint venture | **(3,19.58)** | - |
| | **(3,19.58)** | - |

The Company has executed a share sale and purchase agreement with Shinagawa Refractories Co. Ltd. (Japan), and SG Shinagawa Refractories India Private Limited for the sale of 49% of its equity stake held in SG Shinagawa Refractories India Private Limited on October 26, 2023, for a consideration of ₹ 8,07.42 lakhs. The closing transfer procedures have been completed on November 30, 2023. The Company has accounted for the loss on sale of investment of ₹ 3,19.58 lakhs as an exceptional item.

**40 TAX EXPENSE**

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| **(a) Income-tax expense** | | |
| Current tax | | |
| Current tax on profits for the year | **125,94.65** | 127,02.01 |
| Adjustments/(credits) related to previous years (net) | **(4,21.18)** | - |
| **Total current tax expense** | **121,73.47** | 127,02.01 |
| Deferred tax | | |
| Decrease / (increase) in deferred tax assets | **96.79** | (2,42.47) |
| (Decrease) / increase in deferred tax liabilities | **1,41.06** | 33.85 |
| **Total deferred tax expense/(benefit)** | **2,37.85** | (2,08.62) |
| **Income-tax expense** | **124,11.32** | 124,93.39 |
| **(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:** | | |
| Profit before income tax expense | 504,83.01 | 490,84.50 |
| **Tax at the Indian tax rate of 25.17 % (2022-2023 – 25.17%)** | **127,06.57** | 123,54.57 |
| Tax effect of amounts which are not deductible / (taxable) in calculating taxable income: | | |
| Corporate social responsibility expenditure | **1,88.27** | 1,56.76 |
| Other items | **33.84** | 1,39.88 |
| Deduction under section 80M of Income Tax Act, 1961 on Dividend income | **(2,36.73)** | (1,57.82) |
| Adjustments/(credits) related to previous years (net) | **(4,21.18)** | - |
| Minimum Alternate Tax credit written off | **1,40.55** | - |
| **Income tax expense** | **124,11.32** | 124,93.39 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

## 41 EARNINGS PER SHARE

| | | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| **(a)** | **Basic earnings per share** | | |
| | Basic earnings per share attributable to the equity shares holders of the Company (₹) | **34.39** | 33.05 |
| **(b)** | **Diluted earnings per share** | | |
| | Diluted earnings per share attributable to the equity shares holders of the Company (₹) | **34.39** | 33.05 |
| **(c)** | **Reconciliations of earnings used in calculating earnings per share** | | |
| | Basic earnings per share (₹) | **34.39** | 33.05 |
| | Profit attributable to equity holders of the Company used in calculating basic earnings per share | **380,71.69** | 365,91.11 |
| | Diluted earnings per share (₹) | **34.39** | 33.05 |
| | Profit attributable to equity holders of the Company used in calculating diluted earnings per share | **380,71.69** | 365,91.11 |
| **(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 |

## 42 FAIR VALUE MEASUREMENTS

**Financial instruments by category**

| | March 31, 2024 | | | March 31, 2023 (Restated) | | |
|---|---|---|---|---|---|---|
| | **FVTPL** | **FVTOCI** | **Amortised cost** | FVTPL | FVTOCI | Amortised cost |
| **Financial assets** | | | | | | |
| Investments | | | | | | |
| - Equity instruments | **-** | **227,42.17** | **35,49.36** | - | 198,32.17 | 31,76.36 |
| - Mutual funds | **447,25.64** | **-** | **-** | 435,22.82 | - | - |
| Trade receivables | **-** | **-** | **352,55.78** | - | - | 277,43.30 |
| Cash and Bank Balances | **-** | **-** | **226,39.00** | - | - | 168,63.27 |
| Loan to employees | **-** | **-** | **9,31.97** | - | - | 7,40.90 |
| Security deposits | **-** | **-** | **18,33.37** | - | - | 15,65.03 |
| Foreign-Exchange Forward Contracts | **53.27** | **-** | **-** | - | - | - |
| Employee Advances | **-** | **-** | **3,04.11** | - | - | 2,49.57 |
| Other receivables (Unsecured) | **-** | **-** | **16,87.23** | - | - | 6,78.73 |
| **Total financial assets** | **447,78.91** | **227,42.17** | **662,00.82** | 435,22.82 | 198,32.17 | 510,17.16 |
| **Financial liabilities** | | | | | | |
| Borrowings | **-** | **-** | **11,36.19** | - | - | 9,07.55 |
| Lease liabilities | **-** | **-** | **63,41.00** | - | - | 32,42.49 |
| Trade payables | **-** | **-** | **361,61.70** | - | - | 273,81.22 |
| Trade / Security Deposits | **-** | **-** | **16,23.00** | - | - | 13,61.43 |
| Unclaimed Dividend | **-** | **-** | **1,96.34** | - | - | 1,82.29 |
| Capital Creditors | **-** | **-** | **8,25.30** | - | - | 22,40.52 |
| Foreign-Exchange Forward Contracts | **-** | **-** | **-** | 441.39 | - | - |
| Other financial liabilities | **-** | **-** | **66,43.47** | - | - | 48,17.31 |
| **Total financial liabilities** | **-** | **-** | **529,27.00** | 441.39 | - | 401,32.81 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**(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.

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

| As at March 31, 2024 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| **Financial Investments at FVTOCI:** | | | | | |
| Unquoted Equity Investments | 5 | - | - | 227,42.17 | 227,42.17 |
| **Financial Investments at FVTPL:** | | | | | |
| Mutual Funds | 11 | 447,25.64 | - | - | 447,25.64 |
| **Derivatives not designated as hedges** | | | | | |
| Foreign-exchange forward contracts | 16 | - | 53.27 | - | 53.27 |
| **Total financial assets** | | **447,25.64** | **53.27** | **227,42.17** | **675,21.08** |
| **Total financial liabilities** | | **-** | **-** | **-** | **-** |

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

| As at March 31, 2024 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial Assets** | | | | | |
| **Loans** | | | | | |
| Loans to employees | 6 15 | - | - | 9,19.20 | 9,19.20 |
| **Other Financial Asset** | | | | | |
| Security deposits | 7,16 | - | - | 18,33.37 | 18,33.37 |
| Bank Deposits | 7 | 14,00.00 | | | 14,00.00 |
| **Total Financial Assets** | **-** | **14,00.00** | **-** | **27,52.57** | **41,52.57** |
| **Total financial liabilities** | **-** | **-** | **-** | **-** | **-** |

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

| As at March 31, 2023 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| **Financial Investments at FVTOCI:** | | | | | |
| Unquoted Equity Investments | 5 | - | - | 198,32.17 | 198,32.17 |
| **Financial Investments at FVTPL:** | | | | | |
| Mutual Funds | 11 | 435,22.82 | - | - | 435,22.82 |
| **Derivatives not designated as hedges** | | | | | |
| Foreign-Exchange Forward Contracts | 26 | - | 4,41.39 | - | 4,41.39 |
| **Total financial assets** | | **435,22.82** | **-** | **198,32.17** | **633,54.99** |
| **Total financial liabilities** | | **-** | **4,41.39** | **-** | **4,41.39** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(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, 2023 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial Assets** | | | | | |
| **Loans** | | | | | |
| Loans to employees | 6,15 | - | - | 6,55.35 | 6,55.35 |
| **Other Financial Asset** | | | | | |
| Security deposits | 7,16 | - | - | 15,65.03 | 15,65.03 |
| Bank Deposits | 7 | 35,32.55 | | | 35,32.55 |
| **Total Financial Assets** | **-** | **35,32.55** | **-** | **22,20.38** | **57,52.93** |
| **Total financial liabilities** | **-** | **-** | **-** | **-** | **-** |

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**(ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments 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 the 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.

**(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, 2024 & March 31, 2023.

**Unquoted Equity Shares**

| | |
|---|---|
| **As on March 31, 2022** | 190,07.00 |
| Acquisitions | - |
| Gain recognised in other comprehensive income | 8,23.00 |
| **As on March 31, 2023** | 198,30.00 |
| Acquisitions | - |
| Gain recognised in other comprehensive income | 29,10.00 |
| **As on March 31, 2024** | **227,40.00** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**(iv) Valuation inputs and relationships to fair value**

| Particulars | Fair value as at | | Significant Unobservable Inputs | Probable - weighted range | | Sensitivity |
|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | | March 31, 2024 | March 31, 2023 | |
| Unquoted equity shares : Saint-Gobain India Pvt. Ltd. (SGIPL) | **227,40.00** | 198,30.00 | 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 ₹ 245,30.00 lakhs (March 31, 2023 ₹ 211,10.00 lakhs).<br>1% Decrease in the long-term growth rate would result in decrease in stake value to ₹2,1260.00 lakhs (March 31, 2023 ₹ 187,50.00 lakhs). |
| | | | Weighted Average Cost of Capital (WACC) | 14.6% - 16.6% (15.6%) | 15.3% - 17.3% (16.3%) | 1% Increase in the WACC would result in decrease in stake value to ₹ 209,40.00 lakhs (March 31, 2023 ₹183,30.00 lakhs).<br>1% Decrease in the WACC would result in Increase in stake value to ₹ 249,20.00 lakhs (March 31, 2023 ₹216,20.00 lakhs). |
| | | | Long term operating margin | 18.5% - 20.5% (19.5%) | 18% - 20% (19.0%) | 1% Increase in the long term operating margin would result in increase in stake value to ₹ 237,70.00 lakhs (March 31, 2023 ₹ 206,70.00 Lakhs).<br>1% Decrease in the long term operating margin would result in decrease in stake value to ₹ 217,10 lakhs (March 31,2023 ₹ 189,90 Lakhs). |
| | | | Marketability discount | 10%-20% (15%) | 10%-20% (15%) | 5% Increase in marketability discount would result in decrease in stake value to ₹ 214,00.00 lakhs (March 31, 2023 ₹ 186,60.00 Lakhs).<br>5% Decrease in marketability discount would result in increase in stake value to ₹ 240,80.00 lakhs (March 31, 2023 ₹ 209,90.00 Lakhs). |

**(v) Valuation processes**

The Company has outsourced the valuation process of unquoted equity instruments for financial reporting purposes.

The main level 3 inputs for unlisted equity securities used by the Company are derived and evaluated as follows:

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

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**(vi) Fair value of financial assets and liabilities measured at amortised cost**

| | March 31, 2024 | | March 31, 2023 (Restated) | |
|---|---|---|---|---|
| | **Carrying amount** | **Fair value** | Carrying amount | Fair value |
| **Financial assets** | | | | |
| **Loans** | | | | |
| Loans to employees | **9,31.97** | **9,19.20** | 7,40.90 | 6,55.35 |
| Security deposits | **18,33.37** | **18,33.37** | 15,65.03 | 15,65.03 |
| Bank Deposit | **14,00.00** | **14,00.00** | 35,32.55 | 35,32.55 |
| **Total financial assets** | **41,65.34** | **41,52.57** | 58,38.48 | 57,52.93 |

The carrying amounts of trade receivables, employee advances, cash and cash equivalents and other short term receivables, trade payables, unclaimed dividend, capital creditors, loan to a related party, borrowings and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

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

## 43 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 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 believes that there are no customers or group of customers that would be subjected to any significant credit risks in the collection of the trade receivable.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

The Company has evaluated percentage of allowance for doubtful debts with the trade receivables over the years:

| Particulars | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| Trade Receivables | **360,31.35** | 284,08.22 |
| Allowance for bad and doubtful debts | **7,75.57** | 6,64.92 |
| Percentage | **2.15%** | 2.34% |

**(ii) Reconciliation of Allowance – Trade receivables**

| | |
|---|---|
| Allowance for bad and doubtful debts on March 31, 2022 | 6,76.45 |
| Changes in allowance | (11.53) |
| Allowance for bad and doubtful debts on March 31, 2023 | 6,64.92 |
| Changes in allowance | 1,10.65 |
| **Allowance for bad and doubtful debts on March 31, 2024** | **7,75.57** |

**(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, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| **Floating rate** | | |
| - Expiring beyond one year (bank loans and overdrafts) | **113,97.75** | 36,60.00 |

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

**(ii) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(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, 2024** | | | | |
| **Non-derivatives** | | | | |
| Borrowing | 5,00.00 | 6,36.19 | - | 11,36.19 |
| Lease liabilities | 15,52.31 | 16,13.04 | 50,96.52 | 82,61.87 |
| Trade payables | 361,61.70 | - | - | 361,61.70 |
| Other financial liabilities | 92,88.11 | - | - | 92,88.11 |
| **Total non-derivative liabilities** | **475,02.12** | **22,49.23** | **50,96.52** | **548,47.87** |
| **March 31, 2023** | | | | |
| **Non-derivatives** | | | | |
| Borrowing | 5,12.37 | 3,95.18 | | 9,07.55 |
| Lease liabilities | 10,60.60 | 8,23.16 | 20,34.19 | 39,17.95 |
| Trade payables | 273,81.22 | - | - | 273,81.22 |
| Other financial liabilities | 90,42.94 | - | - | 90,42.94 |
| **Total non-derivative liabilities** | **379,97.13** | **12,18.34** | **20,34.19** | **412,49.66** |

**(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, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| **Trade receivables** | USD | **49,39.25** | 45,81.07 |
| | EUR | **29,45.73** | 32,06.45 |
| | Others | **38.25** | 47.20 |

| | Currency | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| **Trade Payables** | USD | **37,37.43** | 25,02.52 |
| | EUR | **22,73.66** | 38,94.57 |
| | CNY | **36,91.25** | 11,83.75 |
| | Others | **4,16.11** | 4,49.92 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

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

| | Currency | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| **Forward Contracts (Sell)** | USD | **68,58.26** | 60,79.92 |
| | EUR | **83,77.91** | 109,62.63 |
| | Others | **37.48** | 21.39 |

| | Currency | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| **Forward Contracts (Buy)** | USD | **39,15.05** | 36,75.46 |
| | EUR | **31,53.66** | 23,50.43 |
| | CNY | **21,78.55** | 15,14.71 |
| | Others | **3,45.70** | 2,80.43 |

## 44 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.

The Company monitors capital using a gearing ratio and is measured by net debt divided by total equity.

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Total Debt (excluding lease liabililties) | **11,36.19** | 9,07.55 |
| Total equity | **2,051,04.60** | 1,804,35.57 |
| **Adjusted net debts to total equity** | **0.55%** | 0.50% |

### (b) Dividends

#### (i) Dividend paid during the year

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Final dividend paid during the year ₹ 14.50 per fully paid up share (March 31, 2022 - ₹ 12.00 per fully paid up share) | **160,54.40** | 132,86.40 |

#### (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 ₹ 17.00 each per fully paid equity share (March 31, 2023 – ₹ 14.50). This proposed dividend is subject to the approval of shareholders at the ensuing annual general meeting.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

## 45 CONTINGENT LIABILITIES

| | | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| (a) | Excise, Service Tax & Custom Duty demands pending with the appropriate authorities and disputed by the Company | 6,45.91 | 6,44.45 |
| (b) | Sales Tax demands pending with the authorities and disputed by the Company | 36.44 | 36.44 |
| (c) | Claims against the Company under the Labour Laws disputed by the Company | 41.81 | 1,22.31 |
| (d) | Guarantees given by Banks, as counter guaranteed by the Company | 22,64.06 | 9,18.06 |
| (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 * | 13,40.77 | 13,40.77 |
| (h) | Income tax liability on account of disputed disallowances | 23.99 | 20.34 |
| (i) | Good and Service Tax liability for Credit of duty paid on goods and services received prior to July 1, 2017 | 1,54.79 | 16.18 |

*The invoice of SPDCL towards power charges reflect a demand of ₹ 99,74.00 lakhs as at March 31, 2024 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.

## 45A COMMITMENTS

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| **Capital commitments** | | |
| Estimated capital expenditure (net of advances) contracted for at the end of the reporting period but not recognised as liabilities is as follows: | | |
| Property, plant and equipment | **20,09.33** | 59,50.70 |

## 45B Disclosures as required under Ind AS 116:

**As a Lessee**

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| **(a) Amounts recognised in Balance Sheet** | | |
| **Right-of-use asset (Refer Note 3A)** | **79,18.23** | 49,75.72 |
| Opening Lease Liabilities | **32,42.49** | 11,35.80 |
| Addition during year | **40,40.79** | 27,25.84 |
| Interest cost accrued during the year | **4,56.61** | 2,00.07 |
| Payment of lease liabilities | **(13,28.40)** | (8,19.22) |
| Reversal/Adjustment of lease liabilities | **(70.49)** | - |
| **Closing Lease Liabilities** | **63,41.00** | 32,42.49 |
| Current Lease Liabilities | **10,13.34** | 8,05.66 |
| Non-current Lease Liabilities | **53,27.66** | 24,36.83 |
| **Closing Lease Liabilities** | **63,41.00** | 32,42.49 |
| | | |
| **(b) Amount recognized in the Statement of Profit and Loss** | | |
| Depreciation for the year | **11,50.62** | 7,51.52 |
| Interest cost accrued during the year | **4,56.61** | 2,00.07 |
| Expenses related to short term leases/low value assets | **6,99.98** | 8,01.37 |
| **Total** | **23,07.21** | 17,52.96 |
| | | |
| **(c ) Total Cash outflows from leases during the year** | **20,28.38** | 16,20.59 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**46** 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.

## 47 SHARE BASED PAYMENTS

### (a) Performance Share Plan

Certain employees of the Company in India are allotted Performance shares of the Ultimate Holding Company. These plans are subject to eligibility criteria based on the employee's period of service (service conditions) with the Group as well as performance criteria (performance conditions). The Ultimate Holding Company does not charge any cost for this benefit, the cost of this benefit has been arrived at using Black and Scholes method.

| **Summary of Share options granted under plan :** | **March 31, 2024** | March 31, 2023 (Restated) |
|---|---|---|
| | **Number of options** | Number of options |
| Opening balance | **26,350** | 29,605 |
| Granted during the year | **6,035** | 6,425 |
| Exercised during the year | **(7,775)** | (8,664) |
| Forfeited during the year | **(625)** | (1,016) |
| **Closing balance** | **23,985** | 26,350 |

### (b) Expense arising from share based payment transaction

| | **March 31, 2024** | March 31, 2023 (Restated) |
|---|---|---|
| Performance Share Plan | **1,63.73** | 1,38.73 |
| | **1,63.73** | 1,38.73 |

## 48 FINANCIAL PERFORMANCE RATIOS

| Ratios | Numerator | Denominator | March 31, 2024 | March 31, 2023 (Restated) | % Variance |
|---|---|---|---|---|---|
| Current Ratio | Total Current Assets | Total Current Liabilities | 2.78 | 2.81 | -1.05% |
| Debt-Equity Ratio | Total Debt/Borrowings | Equity attributable to owners of the Company | 0.04 | 0.02 | 75.18% |
| Debt Service Coverage Ratio | Earnings available for Debt service | Total Debt Service | 34.03 | 52.08 | -34.66% |
| Return on Equity Ratio | Net Profits after taxes | Average Shareholder's Equity | 19.75% | 21.73% | -9.12% |
| Inventory turnover ratio | Sale of products | Average Inventory | 5.20 | 5.25 | -0.95% |
| Trade Receivables turnover ratio | Net Credit Sales | Average Accounts Receivable | 8.36 | 9.76 | -14.34% |
| Trade payables turnover ratio | Net Credit Purchases | Average Trade Payables | 5.78 | 5.79 | -0.23% |
| Net capital turnover ratio | Net Sales | Working Capital | 2.65 | 2.88 | -8.08% |
| Net profit ratio | Net Profit after tax | Revenue from operation | 14.36% | 14.50% | -0.97% |
| Return on Capital employed | Earning before interest and taxes | Capital Employed | 23.83% | 26.80% | -11.09% |
| Return on investment* | Return on investment | Average investment held by the Company | 9.40% | 5.30% | 77.42% |

*The increase is on account of fair valuation impact of equity instrument.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**49 RELATED PARTY TRANSACTIONS (As per Ind AS 24 Related Party Disclosures)**
**RELATIONSHIPS:**

**(i) HOLDING COMPANY :**

Compagnie De Saint-Gobain, France

**(ii) FELLOW SUBSIDIARIES:**

| | |
|---|---|
| Certainteed Corporation, USA | Saint Gobain America, S.A. De C.V., Mexico |
| Saint-Gobain Services Construction Products Gmbh, Germany | Saint-Gobain Building Distribution Deutschland Gmbh, Germany |
| L.M.Van Moppes Diamond Tools India Pvt. Ltd., India | Saint-Gobain Ceramic Materials (Zhengzhou) Co. Ltd, China |
| 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 |
| SG Ceramic Materials AS, Norway | Saint-Gobain Industriekeramik Rodental Gmbh, Germany |
| Saint-Gobain Corporation, France | Saint-Gobain K.K., Japan |
| Saint-Gobain Dsi Groupe, France | Saint-Gobain Materiales Ceramicos,Venezuela |
| Saint-Gobain Glass, France | Saint-Gobain Materiaux Ceramiques, France |
| Saint-Gobain India Private Limited, India | Saint-Gobain Nordic A/S, Denmark |
| Saint-Gobain Innovative Materials Belgium, Belgium | Saint-Gobain Pipes, France |
| Saint-Gobain Solar Gard, LLC, USA | Saint-Gobain Performance Plastics (Shanghai) Co Ltd, China |
| Saint-Gobain Norpro, USA | Saint-Gobain Sekurit India Ltd, India |
| Saint-Gobain International Digital-It Services, France | Saint-Gobain Sekurit (Thailand) Co Lt, Thailand |
| Saint-Gobain Glass Deutschland Gmbh, Germany | H.K.O. Isolier-Und Textiltechnik Gmbh, Germany |
| Saint-Gobain (sea) Pte. Ltd., Philippines | Saint-Gobain Proppants (Guanghan) Co., Ltd |
| Saint-Gobain Abrasifs, UAE | Saint-Gobain Inovatif Malzemeler Ve Asindirici Sanayi Ticaret Anonim Sirketi, Turkey |
| Saint-Gobain Abrasifs S.A. (Maroc), Morocco | Saint-Gobain Technical Fabrics, S.A. De, Mexico |
| Saint-Gobain Abrasifs, France | Saint-Gobain Vietnam Ltd.,Vietnam |
| Saint-Gobain Abrasives Limited, New Zealand | Savoie Refractaires, France |
| Saint-Gobain Abrasives (Pty.) Ltd., South Africa | Societe Europeenne Des Produits Refractaires - S.E.P.R., France |
| Saint-Gobain Abrasives (Thailand) Ltd.,Thailand | Saint-Gobain Consulting Information and Organisation, France |
| Saint-Gobain Abrasives Ltd, UK | Saint-Gobain Distribuição Brasil Ltda, Brazil |
| Saint-Gobain Abrasives Limited, England | Saint-Gobain Info Sys Gmbh, Germany |
| ST-Gobain Abrasives Pty. Ltd., Australia | Saint-Gobain Isover, France |
| Saint-Gobain Abrasives S.A., Luxembourg | Saint-Gobain Materiaux Ceramiques, Belgium |
| Saint-Gobain Abrasives (Shanghai) Co Ltd, China | Saint-Gobain Performance Plastics Corby, UK |
| Saint-Gobain Abrasives, Inc., USA | Saint-Gobain Performance Plastics Korea Co Ltd, Korea |
| Saint-Gobain Abrasivi SPA, Italy | Saint-Gobain Performance Plastics Pampus Gmbh, Germany |
| Saint-Gobain Abrasivos LDA. - (Portugal), Portugal | Saint-Gobain Performance Plastics Ireland, Ireland |
| Saint-Gobain Abrasivos S.A.(ESPAÑA), Spain | Saint-Gobain Performance Plastics Rencol Limited, UK |
| Saint-Gobain Advanced Ceramics(Shanghai) Co Ltd, China | Saint-Gobain Technology Services, France |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | |
|---|---|
| Saint-Gobain Gyproc Emirates Industries LLC, UAE | Thai Gypsum Products PCI, Thailand |
| Saint-Gobain Adfors Cz S.R.O., Czech Republic | Saint-Gobain Centre De Recherche Et D'Etudes Europeen, France |
| Saint-Gobain Solar Gard Australia Pty. Ltd. | Saint-Gobain Abrasivos Limitada, Chile |
| Saint-Gobain Advanced Materials (Taiwan) Co Ltd | Saint-Gobain Distribution The Netherlands BV, Netherlands |
| Saint-Gobain Rigips Alci Sanayi Ve Ticaret Anonim Sirketi, Turkey | Saint-Gobain Adfors America, Inc, USA |
| Sanitas Troesch Ag, Switzerland | Saint-Gobain Adfors Austria Gmbh, Austria |
| Saint-Gobain Performance Plastics Mg Silikon Gmbh, Germany | Toyoda Van Moppes Ltd |
| Compania Industrial El Volcan S.A | Saint-Gobain Performance Plastics L+S Gmbh, Germany |
| 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 Distribucion Construccion S.L. | Saint-Gobain Advanced Ceramics,LLC |
| Saint-Gobain Life Sciences - Beaver | Saint Gobain Sangdo Plant |
| SG Abrasivi DC Vercelli | Saint-Gobain Life Sciences Ireland Ltd |
| Saint-Gobain Performance Plastics Portag | Saint-Gobain Construction Products South Africa (Pty) Ltd |
| Saint-Gobain Abrasifs(Deplanque) | Saint-Gobain Research North America |
| American Seal And Engineering | Saint-Gobain Zirpro (Handan) Co Ltd |
| British Industria E Comercio Ltda | SG Distribution Nordic Ab |
| Choksey Chemicals Private Limited | SG PPC SAC - Gypsum Peru |
| Dalsan Alçi Sanayi Ve Ticaret A.S | SGCP - PCR - Niagara Falls |
| Eurofloat | SGIMB PPL Kontich - Enc |
| Farecla Products Ltd. | SGTWO AG |
| Jtekt Grinding Tools Corporation | Societe De Participations Financieres Et Industrielles |
| Ms Techniques | Starcin Holding France |
| Pt. Saint Gobain Trading Indonesia | Valoref - Bollene |
| Pt. Saint-Gobain Performance Plastics Indonesia | Saint-Gobain Abrasives (Handan) Co. Ltd |
| Saint Gobain Abrasives Ab | Saint-Gobain Abrasivos Y Adhesivos Ecuador |
| Saint Gobain Abrasivi Spa | Saint-Gobain Cree |
| Saint Gobain Merit S De Rl De Cv | Saint-Gobain Group Digital & It International |
| Saint-Gobain K.K. | Saint-Gobain Mèxico, S.A. De C.V |
| Saint-Gobain (Singapore) Pte Ltd | Saint-Gobain Omniseal Solutions Italia S.R.L. |
| Saint-Gobain Performance Plastics (Hangzhou) Co., Ltd | Saint-Gobain Performance Plastic H-Old S.P.A. |
| Saint-Gobain Performance Plastics Kontich | Saint-Gobain Performance Plastics Isofluor Gmbh |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**(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 (upto November 30, 2023)

Advanced Synthetic Minerals Private Limited (w.e.f. January 24, 2024)

**(vi) ASSOCIATE:**

Cleanwin Energy Three LLP

**(vii) KEY MANAGEMENT PERSONNEL**

Mr. Keki Elavia, Independent Director
Dr. Archana Hingorani, Independent Director
Mr. Subodh Nadkarni, Independent Director
Mr. Krishna Prasad, Whole time Director
Mr. B. Santhanam, Managing Director
Mr. Sreedhar Natarajan, Non-Executive Director
Mr. Jean-Claude Lasserre, Non-Executive Director (w.e.f. May 24, 2023)
Mr. David Eric Molho, Non-Executive Director
Mr. Aakil Mahajan, Non-Executive Director (w.e.f. July 30, 2022)

**(viii) (a) Parent entities**

The Group is controlled by following entity:

| Name of entity | Type | Place of business | Ownership interest held by the Group in the Company | |
|---|---|---|---|---|
| | | | **March 31, 2024** | March 31, 2023 (Restated) |
| 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% |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**(b) Subsidiaries**

| Name of entity | Type | Place of business | Ownership interest held by the Group in the Company | |
|---|---|---|---|---|
| | | | **March 31, 2024** | March 31, 2023 (Restated) |
| Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd. | Subsidiary | L-14 Pasakha Industrial Estate, PO Box 275, Pasakha Bhutan | **70%** | 70% |

**(c) Joint Venture**

| Name of entity | Type | Place of business | Ownership interest held by the Group in the Company | |
|---|---|---|---|---|
| | | | **March 31, 2024** | March 31, 2023 (Restated) |
| SG Shinagawa Refractories India Private Limited | Joint Venture | No-1609,16th Floor, Shapath-V, Opp Karnawati Club,Sarkhej Gandhinagar, Highway, Ahmedabad, Gujarat, India, 380015 | **-** | 49% |
| Advanced Synthetic Minerals Private Limited | Joint Venture | L.S. No-504,Paddhar Ratnal Road Bhuj, Kutch Padhar Bhuj Kachchh Gujarat, India, 370105 | **49%** | - |

**(d) Associate**

| Name of entity | Type | Place of business | Ownership interest held by the Group in the Company | |
|---|---|---|---|---|
| | | | **March 31, 2024** | March 31, 2023 (Restated) |
| Cleanwin Energy Three LLP | Associate | 1 , Floor-G, Plot No 68, Shirin Manzil, Nathalal Parikh Marg, Colaba, Mumbai - 400 005 | **27.27%** | 27.27% |

**(e) (i) Key Management Personnel Compensation**

| | **March 31, 2024** | March 31, 2023 (Restated) |
|---|---|---|
| Short-term employee benefits | **6,09.87** | 5,70.70 |
| Post-employment benefits | **12.53** | 10.89 |
| Sitting Fees | **25.50** | 20.20 |
| Commission | **1,00.00** | 1,00.00 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

## (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 :

| Sr. No. | Particulars | Holding Company | | Fellow Subsidiaries | | Other Related Parties | | Subsidiary Company | | Joint Venture | | Associate | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2024 | March 31, 2023 (Restated) | March 31, 2024 | March 31, 2023 (Restated) | March 31, 2024 | March 31, 2023 (Restated) | March 31, 2024 | March 31, 2023 (Restated) | March 31, 2024 | March 31, 2023 (Restated) | March 31, 2024 | March 31, 2023 (Restated) |
| 1 | Sales | **-** | - | **121,50.23** | 173,10.03 | **-** | - | **2.60** | - | **19,38.95** | 21,93.29 | **-** | - |
| 2 | Agency Commission received | **-** | - | **1,04.42** | 1,79.09 | **-** | - | **-** | - | **1,05.03** | 1,06.56 | **-** | - |
| 3 | Service Income | **37.34** | 1,95.91 | **194,46.58** | 169,83.94 | **-** | - | **28.07** | 9.97 | **-** | - | **-** | - |
| 4 | Other Income | **-** | - | **11,12.74** | 9,26.30 | **-** | - | **-** | - | **-** | - | **-** | - |
| 5 | Dividend Income | **-** | - | **9,40.52** | 6,27.02 | **-** | - | **-** | - | **-** | - | **-** | - |
| 6 | Expenses incurred on behalf of group companies | **0.10** | - | **26,32.48** | 28,01.07 | **-** | - | **15.97** | 27.60 | **12.96** | 56.35 | **-** | - |
| 7 | Expenses charged by other group companies | **76.18** | 44.96 | **37,95.11** | 40,22.21 | **-** | - | **-** | - | **-** | - | **-** | - |
| 8 | Purchase of Goods | **-** | - | **271,50.97** | 250,52.21 | **-** | - | **17,86.52** | 32,07.25 | **-** | - | **1,12.82** | 34.69 |
| 9 | Royalty Paid | **-** | - | **44,40.25** | 41,78.15 | **-** | - | **-** | - | **-** | - | **-** | - |
| 10 | Dividend Paid | **-** | - | **82,83.56** | 68,55.36 | **-** | - | **-** | - | **-** | - | **-** | - |
| 11 | Donation Paid | **-** | - | **-** | 5,77.32 | **-** | - | **-** | - | **-** | - | **-** | - |
| 12 | Contribution to Post employment benefit plans | **-** | - | **-** | - | **12,04.58** | 3,48.96 | **-** | - | **-** | - | **-** | - |
| 13 | Trade Receivables* | **1.31** | 35.85 | **54,95.65** | 59,88.85 | **-** | - | **1,79.46** | 1,44.45 | **-** | 5,68.99 | **-** | - |
| 14 | Other Receivables* | **-** | - | **3,93.50** | 2,01.11 | **-** | - | **8.61** | 5.14 | **-** | - | **-** | - |
| 15 | Advances to Suppliers* | **-** | - | **3,83.72** | 28.54 | **-** | - | **-** | - | **23.27** | - | **-** | - |
| 16 | Trade Payables* | **-** | 7.00 | **88,60.83** | 70,28.74 | **-** | - | **1,81.40** | 1,97.24 | **-** | - | **1.50** | 26.69 |
| 17 | Advance from Customers* | **-** | - | **5,70.88** | 7,79.86 | **-** | - | **-** | - | **-** | - | **-** | - |

* 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) 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 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**(h) Related parties with whom significant transactions were undertaken and included in figures reported in Note No. 49 (viii) (f) is as under**

| Sr. No. | Nature of Transactions | Name of the Company | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|---|
| 1 | **Sale of Goods** | Saint-Gobain Gyproc Middle East Fze | **19,69.36** | 46,35.21 |
| | | Saint-Gobain Performance Plastics France | **1,44.08** | 35,84.24 |
| | | Saint-Gobain Performance Plastics Corporation | **2,31.39** | 4,37.53 |
| | | Saint-Gobain Performance Plastics (Shanghai) Co. Ltd. | **27.84** | 98.67 |
| | | Saint-Gobain Abrasives Inc | **30,06.23** | 14,90.07 |
| 2 | **Service Income** | Saint-Gobain Group Digital & It International | **156,37.43** | 115,97.49 |
| 3 | **Purchase of Goods** | Saint-Gobain Performance Plastics Corporation | **35,28.20** | 41,04.37 |
| | | Saint-Gobain Ceramic Materials Bhutan Private Limited | **17,86.52** | 32,07.25 |
| | | Saint-Gobain Performance Plastics France | **55.19** | 14,83.66 |
| | | Saint-Gobain Do Brasil Produtos Industriais E Para Construção Ltda, Brazil | **63.59** | 11,22.32 |
| | | Saint-Gobain K.K. | **26,93.31** | - |
| 4 | **Royalty Paid** | Saint-Gobain Abrasives Inc., USA | **31,18.98** | 28,52.83 |
| 5 | **Expenses incurred on behalf of group companies** | Saint-Gobain India Private Limited, India | **24,67.96** | 25,33.28 |
| 6 | **Dividend Paid** | Saint-Gobain Abrasives Inc., USA | **42,97.15** | 35,56.26 |
| | | Societe de Participations Financieres et Industrielles | **39,42.91** | 32,63.10 |

**50 Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 :**

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, 2024 | March 31, 2023 (Restated) |
|---|---|---|---|
| a) | the principal amount remaining unpaid to the supplier at the end of each accounting year (including capital creditors); | **6,14.86** | 9,16.38 |
| b) | the interest due thereon and remaining unpaid to the supplier at the end of each accounting year; | **7.34** | 9.85 |
| c) | the principal amount paid by the buyer during the year to the supplier beyond the appointed day; | **4,50.42** | 6,81.67 |
| 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); | **21.28** | 17.82 |
| 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; | **2.03** | 2.53 |
| f) | the amount of interest accrued and remaining unpaid at the end of each accounting year. | **9.37** | 12.38 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**51 Business Combination - PRS Permacel Private Limited**

The Company had acquired 100% equity shares of PRS Permacel Private Limited (PRS) for a consideration of ₹ 121,12.89 lakhs. Subsequently, pursuant to a Scheme of Amalgamation of PRS ("the scheme") with the Company, duly approved by the National Company Law Tribunal (NCLT), vide its order dated June 22, 2023, all the assets and liabilities of PRS at fair value were transferred to and vested in the Company with effect from May 27, 2022, being the appointed date. The excess of consideration paid over and above the fair value of the assets and liabilities taken over amounting to ₹ 46,29.86 lakhs have been accounted as Goodwill.

Pursuant to the approval of the Scheme of Amalgamation of PRS with the Company, being approved by the NCLT these Standalone Financial Statements (restated to give effect to the merger of PRS with the company with effect from May 27,2022) incorporate the unaudited Financial Statements of PRS.

The key information pertaining to the previous periods before giving effect to the said Scheme were as under:

| **Particulars** | **Year ended 31-03-2023 (Audited)** |
|---|---|
| Total non-current assets | 1,013,02.33 |
| Total current assets | 1,315,17.16 |
| Total Equity | 1,789,13.67 |
| Total non-current liabilities | 76,76.18 |
| Total current liabilities | 462,29.64 |
| Total income | 2,420,04.62 |
| Total expenses | 1,950,86.72 |
| Total tax expenses | 118,48.69 |
| Net profit for the period | 350,69.21 |
| Earnings per equity share (in ₹) (Basic and Diluted) | 31.67 |

**52** Figures for the previous year have been re-grouped / reclassified wherever necessary, to confirm to current year's classification. The details for regrouping are as follows:

| **Sr. No.** | **Regrouped to** | **Regrouped from** | **Amount** | **Reasons** |
|---|---|---|---|---|
| 1 | Provisions - Non Current | Trade payables | 12,88.24 | For appropriate disclosures |

**53** (a) There are no subsequent events that would require adjustments or disclosure in the financial statements as on the balance sheet date.

(b) 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, are either not applicable or there are no reportable matters.

(c) The Company is using accounting software for maintaining its books of account which have feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled, throughout the year as required by proviso to sub rule (1) of Rule 3 of The Companies (Accounts) Rules, 2014 known as the Companies (Accounts) Amendment Rules, 2021. However, the audit trail feature is not enabled for direct changes to data in the underlying database. There was no instance of audit trail feature being tampered with in respect of the accounting software.

Presently, privileged access to database of accounting software mentioned above continues to be restricted to limited set of users who necessarily require this access for maintenance and administration of the database.

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| **Cash flow from operating activities** | | |
| **Profit before tax** | **504,83.01** | 490,84.50 |
| **Adjustments for:** | | |
| Depreciation and amortisation expenses | **68,82.70** | 58,10.92 |
| Loss/(Profit) on assets sold (net) | **1,12.76** | 63.02 |
| Gain on redemption of mutual funds | **(23,61.29)** | (19,21.98) |
| Unrealised (gain)/loss on foreign exchange | **23.10** | (58.34) |
| Dividend income | **(9,40.52)** | (6,27.42) |
| Interest income | **(15,12.09)** | (9,14.09) |
| Finance costs | **6,92.03** | 7,52.73 |
| Share based Payments | **1,63.73** | 1,38.73 |
| Changes in fair value on financial instruments | **(4,62.78)** | (1,51.91) |
| Unwinding of discount on security deposits | **(37.14)** | (22.54) |
| Bad debts and Advances written off | **45.23** | 1,30.45 |
| Interest income from financial assets at amortised cost | **(24.48)** | (14.51) |
| Loss on investments sold | **3,19.58** | - |
| **Operating cash flows before working capital changes** | **533,83.84** | 522,69.56 |
| **Adjustments for:** | | |
| (Increase)/Decrease in trade receivables | **(75,18.75)** | (42,69.97) |
| (Increase)/Decrease in inventories | **(22,96.59)** | (13,77.72) |
| (Increase)/Decrease in loans | **(1,66.59)** | (2,69.07) |
| (Increase)/Decrease in other financial asset | **(11,26.87)** | 4,51.59 |
| (Increase)/Decrease in other non-current asset | **(8.10)** | 48.06 |
| (Increase)/Decrease in other current asset | **81.43** | 17,80.30 |
| Increase/(Decrease) in trade payables | **87,20.10** | (45,96.55) |
| Increase/(Decrease) in provisions | **8,31.00** | 24,74.85 |
| Increase/(Decrease) in other non-current liabilities | **(10.99)** | (14.03) |
| Increase/(Decrease) in other current liabilities | **(5,82.57)** | 10,58.20 |
| Increase/(Decrease) in other financial liabilities | **(11,70.04)** | 46,03.20 |
| **Cash generated from operations** | **501,35.88** | 521,58.42 |
| Income taxes paid (net of refunds) | **(137,42.75)** | (123,18.70) |
| **Net cash inflow generated from operating activities** | **363,93.13** | 398,39.72 |
| **Cash flows from investing activities** | | |
| Payments towards purchase of property, plant and equipment and intangible assets | **(163,37.52)** | (314,82.96) |
| Proceeds from sale of property, plant and equipment | **56.38** | 84.82 |
| Payments towards investment in mutual funds | **(2,208,60.88)** | (197,13.63) |
| Proceeds from sale of of mutual funds | **2,224,82.14** | 112,90.03 |
| Payment towards investment in Joint Venture | **(15,00.00)** | - |
| Proceeds from sale of investment in Joint Venture | **8,07.42** | - |

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | March 31, 2024 | March 31, 2023 (Restated) |
|---|---|---|
| Proceeds/(Investment) from/in maturity of Bank Deposit with maturity of more than 3 months (net) | **(43,47.04)** | 125,96.14 |
| Dividend received | **9,40.52** | 6,27.42 |
| Interest received | **11,84.12** | 8,45.56 |
| **Net cash (outflow) from investing activities** | **(175,74.86)** | (257,52.60) |
| **Cash flows from financing activities** | | |
| Interest paid on other than lease liabilities | **(2,35.42)** | (5,52.66) |
| Proceeds from borrowings | **8,00.93** | 11,80.73 |
| Repayment of borrowings | **(5,59.92)** | (5,00.89) |
| Dividend paid | **(160,54.40)** | (132,86.40) |
| Principal payment of lease liabilities | **(8,71.79)** | (6,19.15) |
| Interest paid on lease liabilities | **(4,56.61)** | (2,00.07) |
| **Net cash (outflow) from financing activities** | **(173,77.21)** | (139,78.44) |
| **Net increase in cash and cash equivalents** | **14,41.06** | 1,08.68 |
| Add : Additions pursuant to merger | **-** | 27.70 |
| Less : Bank overdraft at the beginning of the year | **(12.37)** | - |
| Add : Cash and cash equivalents at the beginning of the financial year (Refer note 13) | **34,16.14** | 32,67.39 |
| Add : Bank overdraft at the end of the year | **-** | 12.37 |
| **Cash and cash equivalents at end of the year as reported in balance sheet (Refer note 13)** | **48,44.83** | 34,16.14 |

**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.

The accompanying notes (1 to 53) are an integral part of the Standalone Financial Statements.

As per our Report of even date

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No. 104607W / W100166

Daraius Z. Fraser
Partner
Membership No. 042454
Mumbai : May 6, 2024

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

| | | |
|---|---|---|
| Keki M. Elavia | Chairman | DIN 00003940 |
| B. Santhanam | Managing Director | DIN 00494806 |
| Hari Singudasu | Chief Financial Officer | |
| K. Visweswaran | Company Secretary | |

Mumbai : May 6, 2024

# 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 2023 |
| 3 | Date on which Subsidiary was acquired | : | February 06, 2008 |
| 4 | 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 |
| 5 | Share capital | : | 28,99.42 |
| 6 | Reserves and surplus | : | 8,98.59 |
| 7 | Total assets | : | 55,40.97 |
| 8 | Total Liabilities | : | 55,40.97 |
| 9 | Investments | : | Nil |
| 10 | Turnover | : | 47,98.42 |
| 11 | Profit before taxation | : | 97.44 |
| 12 | Provision for taxation | : | 59.54 |
| 13 | Profit after taxation | : | 37.90 |
| 14 | Proposed Dividend | : | Nil |
| 15 | 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 |

3 Pursuant to the approval by the NCLT for the Scheme of Amalgamation of PRS Permacel Private Limited (PRS) with the Parent Company with effect from May 27, 2022, the results of PRS for the previous periods have been considered as part of the merged entity itself and not as a part of consolidation.

## 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 (refer note 3) | Advanced Synthetic Minerals Private Limited (refer note 4) |
| 2 | Latest Balance Sheet Date (Unaudited) | : | November 30, 2023 | March 31, 2023 |
| 3 | Date on which Joint Venture was acquired | : | August 2, 2020 | January 24, 2024 |
| 4 | Shares of the Joint Venture held by the company on the year end | | | |
| | No. of shares | : | NIL | 96,00,000 |
| | Amount of investment (₹ in lakhs) | : | NIL | 15,00.00 |
| | Extent of Holding (in percentage) | : | NIL | 49% |
| 5 | Description of how there is significant influence | : | Through shareholding | 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 | 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 (₹ in lakhs) | : | 17,19.17 | 11,81.41 |
| 8 | Profit/ (loss) for the period (₹ in lakhs) | : | 12.86 (upto November 30, 2023) | (98.36) (w.e.f January 24, 2024) |
| | Considered in Consolidation (₹ in lakhs) | : | 6.32 | (48.20) |
| | Not considered in Consolidation (₹ in lakhs) | | 6.54 | (50.16) |

Note:

1 Names of joint ventures which are yet to commence operations. : Nil

2 Names of subsidiaries which have been liquidated or sold during the year. : SG Shinagawa Refractories India Private Limited

3 The Company has executed a Share Sale and Purchase Agreement with Shinagawa Refractories Co. Ltd. (Japan), and SG Shinagawa Refractories India Private Limited for the sale of 49% of its equity stake held in SG Shinagawa Refractories India Private Limited on October 26, 2023, for a consideration of ₹ 8,07.42 lakhs. The closing transfer procedures have been completed on November 30, 2023.

4 The Board of Directors at its meeting held on December 22, 2023, considered and approved the investment of ₹ 15,00.00 lakhs towards acquiring a 49% stake in the equity share capital in Advanced Synthetic Minerals Private Limited ("ASMPL"). Subsequent to this approval, the Company executed a Shareholders Agreement and Share Issue Agreement with ASMPL and its promoters on January 17, 2024. The Company subscribed to 49% equity shares offered by ASMPL on January 24, 2024.

| | | | |
|---|---|---|---|
| **(II)** | **Details of Associate:** | | |
| 1 | Name of Associate | : | Cleanwin Energy Three LLP |
| 2 | Latest Balance Sheet Date (Unaudited) | : | March 31, 2023 |
| 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 (₹ 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 (₹ in lakhs) | : | 83.86 |
| 8 | Profit / (loss) for the year (₹ in lakhs) | : | 63.83 |
| | Considered in Consolidation (₹ in lakhs) | : | NA |
| | (The Company is not entitled in share of profit/(loss) of Associate entitiy) | | |
| | Not considered in Consolidation (₹ in lakhs) | : | 63.83 |

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 |
| Hari Singudasu | Chief Financial Officer | |
| K. Visweswaran | Company Secretary | |

Mumbai : May 6, 2024

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

## Report on the Audit of the Consolidated Ind-AS Financial Statements

**Opinion**

We have audited the accompanying Consolidated Ind-AS 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"), its associate and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement for the year then ended and the Notes to the Consolidated Ind-AS Financial Statements, including a summary of material accounting policies (hereinafter referred to as "the consolidated Ind-AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind-AS financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind-AS") and with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group including its associate and jointly controlled entities as at March 31, 2024, of the consolidated profits, Consolidated Statement of Changes in Equity and its Consolidated Cash Flows Statement for the year then ended.

**Basis for Opinion**

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 Ind-AS Financial Statements* section of our report. We are independent of the Group, its associate and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated Ind-AS financial statements in India in terms of the Code of Ethics issued by 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, is sufficient and appropriate to provide a basis for our opinion on consolidated Ind-AS financial statements

**Key Audit Matters**

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter description | How the scope of our audit addressed the key audit matter |
|---|---|---|
| 1. | **Revenue Recognition and Measurement**<br>Revenue from sale of goods and services is one of the key profit drivers and is therefore susceptible to misstatement.<br><br>Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement in financial statements for the year. Risk that revenue from operations could be overstated due to booking of revenues pertaining to post year end.<br><br>Revenue is measured net of trade discounts, schemes and returns. The estimation of the various types of discounts, schemes and returns to be recognised based on sales made during the year is material and considered to be judgmental owing to the varying terms of the agreements with customers which are based on annual contracts or shorter-term arrangements.. | Our procedures included:<br>Assessing the Group's revenue recognition accounting policy, by comparing the same with the applicable Ind-AS.<br><br>**Tests of controls:**<br>Understanding and evaluating the design and implementation of controls and testing the operating effectiveness of key controls over the accuracy of discounts, commission and rebates and correct timing of revenue recognition, the accuracy of pricing master and discounts, rebates and incentives in the applicable accounting system and the interface to general ledger accounting system. |

| Sr. No. | Key Audit Matter description | How the scope of our audit addressed the key audit matter |
|---|---|---|
| | Accumulated experience is used to estimate the provision for discounts, schemes and returns considering the arrangements with customers.<br><br>We have therefore identified cut-off risk and Management estimate with respect to discounts, schemes and returns as a key audit matter. | **Tests of details:**<br><br>- Verified the supporting documentation for determining that the revenue was recognised in the correct accounting period (cut-off testing). Performed tests, on a sample basis, on revenue recognised and verified that the revenue was recognised at a point-in-time, as per the terms of agreement with customers;<br>- Comparing the discounts schemes and returns with the prior year and where relevant, performed further inquiries and testing.<br>- Verifying the manual journals posted to revenue to identify unusual or irregular items.<br>- To assess the recoverability of trade receivables, our procedures included an assessment of whether the provision against, or write off of the receivables, impacted our view as to the initial recognition of the related revenue.<br><br>We also assessed as to whether the disclosures in respect of revenue were adequate. |
| 2. | **Assessment of valuation of Unquoted Equity Investment**<br><br>The Group has an equity interest amounting to ₹ 227,40.00 lakhs in an unquoted company which is accounted on 'Fair Value through Other Comprehensive Income' in accordance with Indian Accounting Standard Ind AS – 113 Fair Value Measurement.<br><br>In measuring this investment, 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, wherever considered necessary.<br><br>Key inputs used in the valuation of the above investment are cash flow projections, growth rate, terminal value, discount rate, net asset value, etc.<br><br>**Risk identified:**<br><br>The valuation of this investment 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.<br><br>Given the inherent subjectivity in the valuation of the above investment, relative significance of this investment to the consolidated financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter. | Our procedures to test the valuation of investment in the unquoted equity instruments include the following:<br><br>**Accounting policies:**<br><br>Assessed the appropriateness of the relevant accounting policy of the Company, including those relating to recognition and measurement of financial instruments and ensuring compliance with applicable accounting standards.<br><br>**Tests of controls:**<br><br>Understanding and evaluating the design and implementation of controls and testing the operating effectiveness of key controls over determination of fair value (including valuation model and assumptions / judgements) of unquoted equity instrument.<br><br>**Tests of details:**<br><br>- Assessing the accuracy and reasonableness of the input data provided by the Management by agreeing with approved budgets.<br>- Comparing recent historical results vis-à-vis corresponding budgets.<br>- Evaluation of competence, capabilities and objectivity of the valuation expert engaged by the Management.<br>- 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 have assessed valuation methodology, discount rate, terminal growth rate, etc.<br>- Tested the mathematical accuracy of the discounted cash flow projections. Traced the net assets value to the draft financial statements of the investee.<br><br>Assessed adequacy of relevant disclosures in the consolidated Ind-AS financial statements. |

**Information Other than the Consolidated Ind-AS Financial Statements and the Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report, Business Responsibility & Sustainability Report and Corporate Governance Report but does not include the consolidated Ind-AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind-AS 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 Ind-AS financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Ind-AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind-AS financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its associate and jointly controlled entities 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 of its associate and jointly controlled entities 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind-AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind-AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities are responsible for assessing the ability of the Group and of its associate and jointly controlled entities 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.

The respective Board of Directors of the companies included in the Group, its jointly controlled entities and Partners of its associate are responsible for overseeing the financial reporting process of the Group, of its associate and jointly controlled entities..

**Auditor's Responsibilities for the Audit of the Consolidated Ind-AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind-AS 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 Ind-AS financial statements.

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 Ind-AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the

override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 and its associate and jointly controlled entities 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 Ind-AS 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 associate and jointly controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind-AS financial statements, including the disclosures, and whether the consolidated Ind-AS 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 and its associate and jointly controlled entities to express an opinion on the consolidated Ind-AS 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.

  Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated Ind-AS financial statements.

  We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind-AS financial statements of which we are the independent auditors 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.

  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.

  From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind-AS 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**

We did not audit the financial information of a subsidiary, whose financial information reflect total assets of ₹53,58.68 lakhs as at March 31, 2024, total revenues of ₹53,17.67 lakhs and net cash outflows amounting to ₹ 4,79.61 lakhs for the year ended on that date, as considered in the consolidated Ind-AS financial statements before consolidation adjustments. The consolidated financial statements also include the Group's share of net loss of ₹ 41.88 lakhs for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of 2 jointly controlled entities, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind-AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and jointly controlled entities is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information are not material to the Group

Our opinion on the consolidated Ind-AS financial statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1) As required by section143(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 purpose of our audit of the aforesaid consolidated Ind-AS financial statements.

b) In our opinion, proper books of account as required by law have been kept by the Group so far as appears from our examination of those books, except for the matter stated in paragraph 1(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind-AS financial statements.

d) In our opinion, the aforesaid consolidated Ind-AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024, taken on record by the Board of Directors of the Holding Company and the written representations received from the directors of subsidiary company and jointly controlled entities incorporated in India, none of the directors of the Holding Company, subsidiary company and jointly controlled entities incorporated in India are disqualified as on March 31, 2024, from being appointed as a director in terms of section 164(2) of the Act.

f) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the sub-paragraph b) of paragraph 1 above on reporting under Section 143(3)(b) and paragraph 1(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A".**

h) 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, ("the Rules"), in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate and jointly controlled entities. Refer Note 46 to the consolidated Ind-AS financial statements.

ii) Provisions have been made in the consolidated financial statements, as required under applicable laws or accounting standards for material foreseeable losses, if any, on long term contracts, including derivative contracts. Refer Note 1.3(I) and Note 44(C) to the Consolidated Ind-AS Financial Statements.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2024, except when disputes relating to ownership of the underlying shares are unresolved. Refer Note 27 to the Consolidated Ind-AS Financial Statements.

iv) The Management has represented that:

a) to the best of their knowledge and belief, other than as disclosed in the consolidated Ind-AS financial statements, 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 Holding Company or any of such subsidiary, associate and jointly controlled entities to or in any other person(s) or entity(ies), including foreign entity(ies) ("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 Holding Company or any of such subsidiary, associate and jointly controlled entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) to the best of their knowledge and belief, other than as disclosed in the consolidated Ind-AS financial statements, no funds have been received by the Holding Company or any of such subsidiary, associate and jointly controlled entities from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary, associate and jointly controlled entities 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;

Based on such audit procedures performed by us that have been 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 (i) and (ii) of Rule 11 (e) of the Rules as provided under a) and (b) above contain any material misstatement.

v) As per information and explanation represented by Management and based on the records of the Holding Company, the dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination, which included test checks, the Holding Company has used accounting software programs for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that no audit trail was enabled at the database level for its accounting software including SAP, Sales Portal, GNO Apps, Nimble, Swifter ERS, SafeNet, and One HR, to log any direct data changes. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating.

The proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is not applicable to its subsidiary as it is not incorporated in India. We are unable to comment whether audit trail feature of the applicable accounting software was enabled and operated throughout the year in case of its associate and jointly controlled entities incorporated in India in the absence of any information been provided.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Rules on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2) According to information and explanations given to us and based on our examination of the records of the Holding Company, the Holding Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act. The provisions of Section 197 read with Schedule V to the Act are not applicable to its subsidiary, associate and jointly controlled entities.

3) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company, we report that there are no qualifications or adverse remarks in these CARO reports.

For **Kalyaniwalla & Mistry LLP**
**Chartered Accountants**
Firm Registration No.: 104607W / W100166

Daraius Z. Fraser
**Partner**
Membership No. 042454
UDIN: 24042454BKBKCU7785

Place - Mumbai
Date - May 6, 2024.

# ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in Para (g) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Group and the associate company and jointly controlled entities incorporated in India on the consolidated Ind-AS financial statements for the year ended March 31, 2024.

**Report on the Internal Financial Controls with reference to consolidated Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

We have audited the internal financial controls with reference to financial statements of ***GRINDWELL NORTON LIMITED*** (hereinafter referred to as "the Holding Company"), and its subsidiary companies (Holding Company and its subsidiary together referred to as "the Group") and its associate company and jointly controlled entities incorporated in India, as of March 31, 2024, in conjunction with our audit of the consolidated Ind-AS financial statements of the Group and its associate and jointly controlled entities for the year ended on 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 Private Ltd., since it is incorporated outside India, its jointly controlled entities namely SG Shinagawa Refractories India Private Limited (till November 30, 2023) and Advanced Synthetic Minerals Private Limited (from January 24, 2024) incorporated in India, pursuant to MCA notification GSR 583(E) dated June 13, 2017 and its associate namely Cleanwin Energy Three LLP being limited liability partnership.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("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 Companies Act, 2013 ("the Act" or "the Companies Act").

**Auditor's Responsibility**

Our responsibility is to express an opinion on the 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 issued by ICAI and 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 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.

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 judgment, including the assessment of the risks of material misstatement of the consolidated Ind-AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Group's and its associate and jointly controlled entities internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to Financial Statements**

A Group'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 Group'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 Group;

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 Group are being made only in accordance with authorizations of management and directors of the Group; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated Ind-AS financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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**

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, 2024, based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Kalyaniwalla & Mistry LLP**
**Chartered Accountants**
Firm Registration No.: 104607W / W100166

Daraius Z. Fraser
**Partner**
Membership No. 042454
UDIN: 24042454BKBKCU7785

Place - Mumbai
Date - May 6, 2024.

SAINT-GOBAIN

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | Notes | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 3 | **582,14.74** | 440,45.64 |
| Right-of-use asset | 3A | **80,03.09** | 50,86.69 |
| Capital work-in-progress | 3 | **127,46.18** | 123,53.24 |
| Goodwill | 4 | **46,78.66** | 46,78.66 |
| Other intangible assets | 4 | **46,72.00** | 47,57.49 |
| Intangible asset under development | 4 | **31.67** | 67.45 |
| Investment accounted for using the equity method | 5A | **14,66.80** | 8,51.35 |
| Financial assets | | | |
| i. Investments | 5B | **227,42.17** | 198,32.17 |
| ii. Loans | 6 | **7,78.32** | 6,28.63 |
| iii. Other financial assets | 7 | **29,11.98** | 50,21.49 |
| Income tax asset (Net) | 8 | **5,96.64** | 7,69.35 |
| Deferred tax assets (Net) | 9 | **4,00.98** | 1,83.96 |
| Other non-current assets | 10 | **23,87.20** | 46,49.43 |
| **Total non-current assets** | | **1,196,30.43** | 1,031,39.27 |
| **CURRENT ASSETS** | | | |
| Inventories | 11 | **487,60.50** | 463,94.31 |
| Financial assets | | | |
| i. Investments | 12 | **447,25.64** | 435,22.82 |
| ii. Trade receivables | 13 | **357,45.64** | 280,20.31 |
| iii. Cash and cash equivalents | 14 | **49,10.43** | 39,61.36 |
| iv. Bank balances other than (iii) above | 15 | **163,94.17** | 99,41.04 |
| v. Loans | 16 | **1,53.65** | 1,12.27 |
| vi. Other financial assets | 17 | **21,52.39** | 9,15.51 |
| Other current assets | 18 | **44,89.45** | 49,82.74 |
| **Total current assets** | | **1,573,31.87** | 1,378,50.36 |
| **TOTAL ASSETS** | | **2,769,62.30** | 2,409,89.63 |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 19 | **55,36.00** | 55,36.00 |
| Other Equity | 20 | **1,999,91.48** | 1,750,44.88 |
| Equity attributable to owners of the Company | | **2,055,27.47** | 1,805,80.88 |
| Non-controlling interest | | **11,50.35** | 11,07.51 |
| **Total Equity** | | **2,066,77.83** | 1,816,88.39 |
| **LIABILITIES** | | | |
| **NON-CURRENT LIABILITIES** | | | |
| Financial liabilities | | | |
| i. Borrowings | 21A | **6,36.19** | 3,95.18 |
| ia. Lease liabilities | 21B | **54,10.85** | 25,50.17 |
| Provisions | 22 | **49,61.92** | 52,01.66 |
| Deferred tax liabilities (Net) | 23 | **22,09.90** | 13,85.28 |
| Other non-current liabilities | 24 | **31.03** | 42.02 |
| **Total non-current liabilities** | | **1,32,49.89** | 95,74.31 |
| **CURRENT LIABILITIES** | | | |
| Financial liabilities | | | |
| i. Borrowings | 25A | **11,69.11** | 13,58.96 |
| ia. Lease liabilities | 25B | **10,43.49** | 8,32.14 |
| ii. Trade payables | 26 | | |
| (a) Total outstanding dues of micro and small enterprises | | **5,78.73** | 9,16.38 |
| (b) Total outstanding dues of creditors other than (ii)(a) above | | **356,58.29** | 270,06.81 |
| iii. Other financial liabilities | 27 | **94,84.32** | 90,95.73 |
| Provisions | 28 | **35,10.94** | 25,76.79 |
| Current tax liabilities (Net) | 29 | **7,90.04** | 25,10.50 |
| Other current liabilities | 30 | **47,99.66** | 54,29.62 |
| **Total current liabilities** | | **570,34.58** | 497,26.93 |
| **TOTAL LIABILITIES** | | **702,84.47** | 593,01.24 |
| **TOTAL EQUITY AND LIABILITIES** | | **2,769,62.30** | 2,409,89.63 |
| **Material Accounting Policies** | 1.3 | | |

The accompanying notes (1 to 55) are an integral part of the Consolidated Financial Statements.

As per our Report of even date

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No. 104607W / W100166

Daraius Z. Fraser
Partner
Membership No. 042454
Mumbai : May 6, 2024

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

| | | |
|---|---|---|
| Keki M. Elavia | Chairman | DIN 00003940 |
| B. Santhanam | Managing Director | DIN 00494806 |
| Hari Singudasu | Chief Financial Officer | |
| K. Visweswaran | Company Secretary | |

Mumbai : May 6, 2024

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | Notes | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 31 | **2,686,76.62** | 2,541,34.24 |
| Other income | 32 | **68,31.10** | 56,06.67 |
| **Total income** | | **2,755,07.72** | 2,597,40.91 |
| **EXPENSES** | | | |
| Cost of materials consumed | 33 | **883,56.38** | 923,76.19 |
| Purchases of stock-in-trade | 34 | **333,31.44** | 267,07.94 |
| Changes in Inventories of work-in-progress, stock-in-trade and finished goods | 35 | **(10,22.94)** | (29,16.33) |
| Employee benefits expense | 36 | **325,78.94** | 297,36.10 |
| Finance costs | 37 | **7,75.85** | 7,80.08 |
| Depreciation and amortisation expense | 38 | **70,88.07** | 60,14.56 |
| Other expenses | 39 | **634,89.37** | 582,66.53 |
| **Total expenses** | | **2,245,97.11** | 2,109,65.07 |
| **Profit before share of profit/(loss) of joint venture and tax** | | **509,10.61** | 487,75.84 |
| Share of profit/(loss) of joint venture accounted for using the equity method | | **(41.88)** | (1,86.25) |
| **Profit before exceptional item and tax** | | **508,68.73** | 485,89.59 |
| Exceptional item | 40 | **(35.25)** | - |
| **Profit before tax** | | **508,33.48** | 485,89.59 |
| Income-tax expenses | 41 | | |
| - Current tax | | **122,03.32** | 127,02.01 |
| - Deferred tax | | **2,34.55** | (2,64.66) |
| **Total tax expenses** | | **124,37.87** | 124,37.35 |
| **Profit for the year** | | **383,95.61** | 361,52.24 |
| **Other Comprehensive Income** | | | |
| *Items that will not be reclassified to profit or loss* | | | |
| Remeasurement of post employment benefit obligations - gain/(loss) | | **1,51.59** | (1,18.37) |
| Change in fair value of equity instruments at Fair Value through Other Comprehensive Income (FVOCI) | | **29,10.00** | 8,23.00 |
| Income-tax relating to these items | | | |
| - Current tax | | **(39.14)** | 28.19 |
| - Deferred tax | | **(5,38.35)** | (51.24) |
| **Other comprehensive income for the year** | | **24,84.10** | 6,81.58 |
| **Total comprehensive income for the year** | | **408,79.71** | 368,33.82 |
| **Net Profit attributable to:** | | | |
| - Owners | | **383,63.63** | 361,90.41 |
| - Non controlling interests | | **31.98** | (38.17) |
| **Total comprehensive income attributable to:** | | | |
| - Owners | | **408,47.73** | 368,71.99 |
| - Non controlling interests | | **31.98** | (38.17) |
| Earnings per equity share (Face value of ₹ 5/- each) | | | |
| Basic earnings per equity share (in ₹) | 42 | **34.65** | 32.69 |
| Diluted earnings per equity share (in ₹) | 42 | **34.65** | 32.69 |
| **Material Accounting Policies** | 1.3 | | |

The accompanying notes (1 to 55) 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 Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No. 104607W / W100166

Daraius Z. Fraser
Partner
Membership No. 042454
Mumbai : May 6, 2024

Keki M. Elavia — Chairman — DIN 00003940
B. Santhanam — Managing Director — DIN 00494806
Hari Singudasu — Chief Financial Officer
K. Visweswaran — Company Secretary

Mumbai : May 6, 2024

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

## I) EQUITY SHARE CAPITAL

| | Notes | Amount |
|---|---|---|
| Balance as at March 31, 2022* | | 55,36.00 |
| Changes in equity share capital | 19 | - |
| Balance as at March 31, 2023* | | 55,36.00 |
| Changes in equity share capital | 19 | - |
| **Balance as at March 31, 2024** | | **55,36.00** |

* There are no changes in Equity Share Capital due to prior period errors

## II) OTHER EQUITY (REFER NOTE 20)

| | Reserves and Surplus | | | Other Items of Equity | | | Total Attributable to Owners of the Company | Attributable to Non-controlling Interest | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Securities Premium | General Reserve | Retained Earnings | Equity Instruments through Other Comprehensive Income | Revaluation Surplus | Share Based Payment Plan Account | | | |
| **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** |
| Profit for the year | - | - | 361,90.41 | | | | 361,90.41 | (38.17) | 361,52.24 |
| Remeasurement of post employment benefit obligation, net of tax | - | - | (90.18) | - | - | - | (90.18) | - | (90.18) |
| Share Based Payment (Refer Note 48) | - | - | - | - | - | 1,38.73 | 1,38.73 | - | 1,38.73 |
| Change in fair value of Equity Instruments through Other Comprehensive Income, net of tax | - | - | - | 7,71.76 | - | - | 7,71.76 | - | 7,71.76 |
| Dividend for the financial year 2021-22 | - | - | (132,86.40) | - | - | - | (132,86.40) | - | (132,86.40) |
| Other Adjustment | | | 10.86 | | | | 10.86 | (10.86) | - |
| **Balance as at March 31, 2023*** | **27,90.82** | **402,01.34** | **1,170,45.51** | **134,95.73** | **3,35.34** | **11,76.14** | **1,750,44.88** | **11,07.51** | **1,761,52.39** |
| Profit for the year | - | - | 383,63.63 | - | - | - | 383,63.63 | 31.98 | 383,95.61 |
| Remeasurement of post employment benefit obligation, net of tax | - | - | 1,12.45 | - | - | - | 1,12.45 | - | 1,12.45 |
| Share Based Payment (Refer Note 48) | - | - | - | - | - | 1,63.73 | 1,63.73 | - | 1,63.73 |
| Change in fair value of Equity Instruments through Other Comprehensive Income, net of tax | - | - | - | 23,71.65 | | | 23,71.65 | - | 23,71.65 |
| Dividend for the financial year 2022-23 | - | - | (160,54.00) | - | - | - | (160,54.00) | - | (160,54.00) |
| Other Adjustment | - | - | (10.86) | - | - | - | (10.86) | 10.86 | - |
| **Balance as at March 31, 2024** | **27,90.82** | **402,01.34** | **1,394,56.73** | **158,67.38** | **3,35.34** | **13,39.87** | **1,999,91.48** | **11,50.35** | **2,011,41.83** |

* There are no changes in other equity due to prior period errors

The accompanying notes (1 to 55) 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 Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No. 104607W / W100166

Daraius Z. Fraser
Partner
Membership No. 042454
Mumbai : May 6, 2024

Keki M. Elavia — Chairman — DIN 00003940
B. Santhanam — Managing Director — DIN 00494806
Hari Singudasu — Chief Financial Officer
K. Visweswaran — Company Secretary

Mumbai : May 6, 2024

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**NOTE: 1**

## 1.1 CORPORATE INFORMATION

Grindwell Norton Ltd (the 'Company') having CIN L26593MH1950PLC008163 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 Saint-Gobain Ceramic Materials Bhutan Private Limited, a Company incorporated in Bhutan, Joint Venture entities SG Shinagawa Refractories India Private Limited (upto November 30, 2023) and Advanced Synthetic Minerals Private Limited and its associate, Cleanwin Energy Three LLP (jointly referred as "the Group").

The businesses are divided into three segments:

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

The Consolidated Financial Statements for the year ended March 31, 2024 were authorized for issue in accordance with a resolution of the Board of Directors on May 6, 2024.

## 1.2 BASIS OF PREPARATION

### (i) Compliance with Ind AS

The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

### (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) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**(v) Basis of consolidation:**

The consolidated financial statements relate to Grindwell Norton Limited, its its Joint Venture entities and associate.

**The Consolidated Financial Statements have been prepared on the following basis:**

**(a) Subsidiaries**

Subsidiaries are entities controlled by the Group. The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

**(b) Consolidation procedure:**

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., 31 March 2024. When the end of the reporting year of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the standalone financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

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.

**(c) 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.

**1.3 MATERIAL ACCOUNTING POLICIES INFORMATION**

**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. Assets carrying amount is to be recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**1.3 MATERIAL ACCOUNTING POLICIES INFORMATION (Contd.)**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses on disposal are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

**(ii) Subsequent Expenditure:**

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

**(iii) Depreciation:**

Depreciation is calculated using the Straight-line method to allocate their cost, net of their residual values, over their following estimated useful life which is similar to useful life prescribed in Schedule II of the Act; except for Server & Networks and Specific Kilns where depreciation has been provided based on the technical specifications, external & internal assessment, requirement of refurbishments and past experience of the remaining useful life. Individual assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

| 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.

**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 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, Trade Mark and Brand Value is carried at its cost less any accumulated amortisation and any accumulated impairment losses.

Goodwill, Trade Mark and Brand Value are included in intangible assets on acquisitions. Goodwill, Trade Mark and Brand Value are 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, Trade Mark and Brand Value 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, Trade Mark and Brand Value arose.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**1.3 MATERIAL ACCOUNTING POLICIES INFORMATION (Contd.)**

**(ii) Amortisation :**

Intangible assets other than Goodwill, Trade Mark and Brand Value 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) | Patent | : | 20 years |

**C. 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. Materials in transit are valued at actual cost.

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

**D. 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 and loss are expensed in profit and loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**1.3 MATERIAL ACCOUNTING POLICIES INFORMATION (Contd.)**

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 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.

**E. 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 Group makes a loss allowance using simplified approach for ECL and on a case to case basis. The application of simplified approach does not require the Group 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. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix.

**(ii) Non-financial assets**

Non financial assets, other than Goodwill, Trade Mark and Brand Value, 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,Trade mark and Brand Value that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**F. Cash and cash equivalents**

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**1.3 MATERIAL ACCOUNTING POLICIES INFORMATION (Contd.)**

**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 (Rs.) 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.

**I. Forward contracts - Not designated as hedges**

The Group enters into a 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**

**Revenue from operations**

The Group recognizes revenue from sale of goods when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity. The Group bases its estimates of discount and rebates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised towards satisfaction of a performance obligation which is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration, any taxes or duties collected on behalf of the Government such as Goods and Services tax etc., and various discounts, schemes offered by the Group as part of the contract.

**(i) Sale of goods**

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**1.3 MATERIAL ACCOUNTING POLICIES INFORMATION (Contd.)**

**(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) 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. Other Income**

**(i) Dividend Income**

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.

**(ii) Interest Income**

For all financial insturments 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..

**L. 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

(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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**1.3 MATERIAL ACCOUNTING POLICIES INFORMATION (Contd.)**

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.

**M. Borrowing Costs**

Borrowng 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 incurred.

**N. Income Tax**

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

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

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

Deferred tax assets are recognised for all deductible temporary differences 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**1.3 MATERIAL ACCOUNTING POLICIES INFORMATION (Contd.)**

**O. 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.

**P. 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.

**Q. Segment reporting**

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

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

**R. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**1.3 MATERIAL ACCOUNTING POLICIES INFORMATION (Contd.)**

**S. 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 re-measurements 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.

**T. 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.

**U. 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.

**V. Business Combinations**

The Company accounts for business combinations in accordance with Ind AS 103, using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired, as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

**NOTE: 2**

**2.1 USE OF JUDGEMENTS, ESTIMATE AND ASSUMPTIONS**

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Group to make estimates and judgments that affect the reported balances of assets and liabilities, disclosures of the contingent liabilities as at the date of the standalone financial statements and the reported amounts of income and expenses for the periods presented. 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.

The Company uses the following critical accounting estimates in preparation of its standalone financial statements: Judgment, estimates and assumptions are required in particular for:

**(a) Determination of the estimated useful lives of property, plant and equipment**

Useful lives of property, plant and equipment 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 exercised) 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, 2024

**2.1 USE OF JUDGEMENTS, ESTIMATE AND ASSUMPTIONS (Contd.)**

**(f) Impairment of intangible assets**

Significant estimates are required to be made in determining the value of intangible assets acquired on business combination. These valuations are conducted by independent valuation experts which involves certain estimates and judgements.

Goodwill, Trade Mark and Brand Value are tested for impairment on an annual basis. The impairment test is performed at the level of the cash generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition.

Key assumptions on which Management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

**(g) Taxation**

The Group's tax charge on ordinary activities is the sum of the total current, deferred tax charges and other adjustments in respect of earlier year's assessments. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits / losses and / or cash flows.

**(h) Provision and Contingent Liabilities**

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

Management estimates and judgements are continuously evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

**(i) Employee Incentives, Sales Incentives Schemes and Turnover Discount**

The provision for employee incentives is calculated based on the parameters set in the Scheme.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

## 3 PROPERTY, PLANT AND EQUIPMENT

| | Land - Freehold | Buildings (Refer note a) | 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, 2022** | 19,01.36 | 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 |
| Acquisitions through business combinations | - | 17,35.00 | - | 10,41.36 | 2,39.40 | 26.75 | 4.60 | 25.61 | 37.21 | 13.42 | 31,23.35 | - |
| Reclassification | - | 2.20 | - | 7.79 | (21.04) | 8.64 | 19.17 | 0.04 | 1.65 | 0.44 | 18.89 | - |
| Additions | - | 18,57.11 | 1,99.91 | 53,53.74 | 11,21.27 | 55.43 | 4,41.79 | 4,15.16 | 3,69.23 | 1,35.25 | 99,48.89 | 156,77.72 |
| Deductions | - | (7,71.65) | (9.13) | (7,08.55) | (0.83) | (3.87) | (2,51.86) | (21.71) | (51.88) | (31.63) | (18,51.11) | - |
| Transfers | - | - | - | - | - | - | - | - | - | - | - | (99,48.89) |
| **As at March 31, 2023** | **19,01.35** | **208,84.89** | **7,61.08** | **451,71.09** | **18,75.33** | **2,84.50** | **23,55.04** | **19,73.04** | **12,91.42** | **4,12.33** | **769,10.06** | **123,53.24** |
| Reclassification | - | 11.19 | - | 2,80.21 | (41.00) | - | 0.82 | - | (2,32.79) | - | 18.43 | - |
| Additions | - | 35,30.72 | 5,01.32 | 131,55.69 | 5,68.47 | 10.60 | 10,62.61 | 2,07.30 | 6,74.35 | 1,49.31 | 198,60.37 | 205,30.50 |
| Deductions | - | (47.31) | (0.15) | (3,17.74) | - | (1.11) | (1,35.21) | (38.59) | (28.87) | (1,80.80) | (7,49.78) | - |
| Transfers | - | - | - | - | - | - | - | - | - | - | - | (201,37.56) |
| Other Adjustments | 0.01 | 0.91 | 0.01 | 4.43 | 0.73 | 1.79 | 29.07 | (2.37) | 1.15 | (2.20) | 33.53 | - |
| **As at March 31, 2024** | **19,01.36** | **243,80.40** | **12,62.26** | **582,93.68** | **24,03.53** | **2,95.78** | **33,12.33** | **21,39.38** | **17,05.26** | **3,78.64** | **960,72.61** | **127,46.18** |
| **Accumulated Depreciation:** | | | | | | | | | | | | |
| **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** | **-** |
| Reclassification | - | - | - | - | - | - | 1.55 | - | - | - | 1.55 | - |
| Depreciation for the year | - | 7,88.77 | 73.41 | 32,54.73 | 1,31.75 | 25.81 | 2,77.47 | 1,59.91 | 1,40.58 | 53.00 | 49,05.43 | - |
| Depreciation on deductions | - | (4,39.85) | (9.13) | (6,28.63) | (0.83) | (1.54) | (2,49.41) | (20.21) | (50.65) | (20.42) | (14,20.67) | - |
| **As at March 31, 2023** | **-** | **42,56.82** | **5,75.36** | **239,00.83** | **3,25.55** | **1,28.21** | **17,23.79** | **10,44.86** | **7,40.98** | **1,68.02** | **328,64.42** | **-** |
| Reclassification | - | (6.88) | - | 38.06 | (1.39) | (0.05) | 2.75 | 0.09 | (15.34) | (0.04) | 17.20 | - |
| Depreciation for the year | - | 8,88.45 | 1,40.00 | 33,33.49 | 2,10.92 | 32.17 | 4,64.34 | 1,71.53 | 2,19.21 | 42.07 | 55,02.18 | - |
| Depreciation on deductions | - | (14.66) | (0.15) | (2,47.55) | - | (0.71) | (1,35.19) | (36.58) | (28.28) | (96.34) | (5,59.46) | - |
| Other Adjustments | - | 0.90 | 0.02 | 4.43 | 0.73 | 1.78 | 29.09 | (2.37) | 1.15 | (2.20) | 33.53 | - |
| **As at March 31, 2024** | **-** | **51,24.63** | **7,15.23** | **270,29.26** | **5,35.81** | **1,61.40** | **20,84.78** | **11,77.53** | **9,17.72** | **1,11.51** | **378,57.87** | **-** |
| **Net Carrying amount:** | | | | | | | | | | | | |
| **As at March 31, 2023** | 19,01.35 | 166,28.07 | 1,85.72 | 212,70.26 | 15,49.78 | 1,56.29 | 6,31.25 | 9,28.18 | 5,50.44 | 2,44.31 | 440,45.64 | 123,53.24 |
| **As at March 31, 2024** | **19,01.36** | **192,55.77** | **5,47.03** | **312,64.42** | **18,67.72** | **1,34.38** | **12,27.55** | **9,61.85** | **7,87.54** | **2,67.13** | **582,14.74** | **127,46.18** |

Notes:

a) Includes an amount of ₹ 750/- (March 31, 2022 - ₹ 750/-) representing the value of shares in a co-operative housing society.

b) The Company has not revalued any of its Property plant and equipments.

**(c) Ageing of Capital work-in-progress (CWIP)**

| CWIP | Amount in CWIP 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, 2024** | **66,61.30** | **59,90.86** | **94.02** | **-** | **127,46.18** |
| Projects in Progress as at March 31, 2023 | 113,76.73 | 9,65.67 | 10.84 | - | 123,53.24 |

**(d) Completion schedule for capital work-in-progress whose completion is over due or exceeded its cost compared to its original plan:**

As at March 31, 2024 and March 31, 2023, there are no projects whose completion is overdue or exceeded its cost compared to its original plan.

(e) CWIP mainly comprises of Plant and Equipments. An amount of ₹ 80.58 Lakhs (March 31, 2023: ₹ 30.70 Lakhs) pertaining to borrowing costs capitalised during the period has been included under CWIP.

(f) The average rate used to determine the amount of borrowing cost eligible for capitalisation is 7.82 % (March 31, 2023: 6.82 %).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**3A RIGHT-OF-USE ASSET**

| | Land | Building | Total |
|---|---|---|---|
| **Gross carrying amount:** | | | |
| **As at March 31, 2022** | 2,88.40 | 24,01.39 | 26,89.79 |
| Acquisitions through business combinations | 18,08.00 | - | 18,08.00 |
| Addition | 4.12 | 27,89.83 | 27,93.95 |
| Deductions | - | (8,38.48) | (8,38.48) |
| **As at March 31, 2023** | 21,00.52 | 43,52.74 | 64,53.26 |
| Addition | - | 41,79.07 | 41,79.07 |
| Deductions | - | (11,68.86) | (11,68.86) |
| **As at March 31, 2024** | **21,00.52** | **73,62.95** | **94,63.47** |
| **Accumulated Depreciation :** | | | |
| **As at March 31, 2022** | 82.87 | 13,44.56 | 14,27.43 |
| Depreciation for the year | 34.35 | 7,43.27 | 7,77.62 |
| Depreciation on deductions | - | (8,38.48) | (8,38.48) |
| **As at March 31, 2023** | 1,17.22 | 12,49.35 | 13,66.57 |
| Depreciation for the year | 50.42 | 11,26.31 | 11,76.73 |
| Depreciation on deductions | - | (10,94.48) | (10,94.48) |
| Other Adjustments | 11.56 | - | 11.56 |
| **As at March 31, 2024** | **1,79.20** | **12,81.18** | **14,60.38** |
| **Net Carrying amount:** | | | |
| **As at March 31, 2023** | 19,83.30 | 31,03.39 | 50,86.69 |
| **As at March 31, 2024** | **19,21.32** | **60,81.77** | **80,03.09** |

Notes:

a) Immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company;

| Relevant line item in the Balance sheet | Description of item of property | Gross carrying value | WDV as at March 31, 2024 | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|---|---|
| Right-of-Use Asset | Leasehold Land at Ambernath | 18,07.94 | 17,65.82 | M/s. PRS Permacel Private Limited | No | 23rd April 2007 | Property is in the name of M/s. PRS Permacel Private Limited, now merged with Grindwell Norton Limited. It is in the process of being registered under the name of the Company. |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

## 4 INTANGIBLE ASSETS

| | Computer Software | Trade Marks | Non Compete Fees and Marketing Network | Patents | Brand Value | Total | Goodwill | Intangible Assets Under Development |
|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount:** | | | | | | | | |
| **As at March 31, 2022** | **15,71.85** | **23.97** | **1,17.90** | **-** | **-** | **17,13.72** | **48.80** | **86.59** |
| Acquisitions through business combinations | 10.00 | 15,35.00 | - | 81.00 | 23,90.00 | 40,16.00 | 46,29.86 | - |
| Reclassification | (18.89) | - | - | - | - | (18.89) | - | |
| Additions (Refer note a) | 1,40.55 | - | - | - | - | 1,40.55 | - | 1,21.41 |
| Deductions | (56.68) | - | - | - | - | (56.68) | - | - |
| Transfers | - | - | - | - | - | - | - | (1,40.55) |
| **As at March 31, 2023** | **16,46.83** | **15,58.97** | **1,17.90** | **81.00** | **23,90.00** | **57,94.70** | **46,78.66** | **67.45** |
| Reclassification | - | - | - | - | - | - | - | |
| Additions (Refer note a) | 3,06.47 | - | - | - | - | 3,06.47 | - | 31.67 |
| Deductions | (43.19) | - | - | - | - | (43.19) | - | - |
| Transfers | - | - | - | - | - | - | - | (67.45) |
| Other Adjustments | 5.66 | 0.36 | - | 0.64 | - | 6.66 | - | - |
| **As at March 31, 2024** | **19,15.77** | **15,59.33** | **1,17.90** | **81.64** | **23,90.00** | **60,64.64** | **46,78.66** | **31.67** |
| **Accumulated Amortisation:** | | | | | | | | |
| **As at March 31, 2022** | **6,45.73** | **-** | **1,17.90** | **-** | **-** | **7,63.63** | **-** | **-** |
| Reclassification | (1.55) | - | - | - | - | (1.55) | - | - |
| Amortisation for the year | 3,02.54 | - | - | 28.97 | - | 3,31.51 | - | - |
| Amortisation on deductions | (56.38) | - | - | - | - | (56.38) | - | - |
| **As at March 31, 2023** | **8,90.34** | **-** | **1,17.90** | **28.97** | **-** | **10,37.21** | **-** | **-** |
| Reclassification | - | - | - | - | - | - | - | - |
| Amortisation for the year | 3,63.02 | - | - | 28.94 | - | 3,91.96 | - | - |
| Amortisation on deductions | (43.19) | - | - | - | - | (43.19) | - | - |
| Other Adjustments | 5.98 | 0.18 | - | 0.50 | - | 6.66 | - | - |
| **As at March 31, 2024** | **12,16.15** | **0.18** | **1,17.90** | **58.41** | **-** | **13,92.64** | **-** | **-** |
| **Net Carrying amount:** | | | | | | | | |
| **As at March 31, 2023** | **7,56.49** | **15,58.97** | **-** | **52.03** | **23,90.00** | **47,57.49** | **46,78.66** | **67.45** |
| **As at March 31, 2024** | **6,99.62** | **15,59.15** | **-** | **23.23** | **23,90.00** | **46,72.00** | **46,78.66** | **31.67** |

Note:

(a) Additions of intangible asset held by the Company as purchased and not internally developed.

(b) The Company has not revalued any of its intangible assets.

**(c) 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, 2024** | **31.67** | **-** | **-** | **-** | **31.67** |
| Projects in Progress as at March 31, 2023 | 42.36 | - | 25.09 | - | 67.45 |

(d) As at March 31, 2024 and March 31, 2023, there are no projects whose completion is overdue or exceeded its cost compared to its original plan.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**(e) Impairment for Goodwill and indefinite life intangible asset**

The Company has identified its reportable segments, i.e. Abrasives and Ceramics & Plastics as the CGUs. The goodwill and indefinite-life intangible assets acquired through business combinations have been allocated to CGU 'Abrasives' and 'Ceramics & Plastics'.

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | **Abrasives** | **Ceramics & Plastics** | **Abrasives** | **Ceramics & Plastics** |
| **Carrying Amount:** | | | | |
| Goodwill | **48.80** | **46,29.86** | 48.80 | 46,29.86 |
| Indefinite life intangible asset | **-** | **39,25.00** | - | 39,25.00 |
| **Total** | **48.80** | **85,54.86** | 48.80 | 85,54.86 |
| **Key Assumptions:** | | | | |
| Pre-tax discount rate | **25.00%** | **15.60%** | 25.00% | 15.60% |
| Long-term growth rate | **7.00%** | **17.00%** | 7.00% | 17.00% |

**Significant estimate: key assumptions used for value-in-use calculations**

The Company tests whether Goodwill and other indefinite life intangible asset has suffered any impairment on an annual basis. The recoverable amount has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

The estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Weighted Average Cost of Capital % (WACC) for the Company = Risk free return + (Market risk premium x Beta) + Additional risk premium.

| | **March 31, 2024** | March 31, 2023 |
|---|---|---|
| **5A INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD** | | |
| **Unquoted Equity Instrument** | | |
| **Investment in Joint Venture** | | |
| SG Shinagawa Refractories India Private Limited | **-** | 8,36.35 |
| ₹ NIL(March 31, 2023 : 1,12,70,000) equity shares of ₹ 10/- each fully paid up | | |
| Advanced Synthetic Minerals Private Limited | **14,51.80** | - |
| 96,00,000 (March 31, 2023 : ₹ NIL ) equity shares of ₹ 10/- each fully paid up | | |
| **Investment in Associates** | | |
| Cleanwin Energy Three LLP | **15.00** | 15.00 |
| (Represents capital contribution to the extent of 27.27% of total capital. The Company is not entitled in share of profit/(loss) of Associate entitiy) | | |
| | **14,66.80** | 8,51.35 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **5B** | **NON-CURRENT FINANCIAL ASSETS - INVESTMENTS** | | |
| | **Unquoted Investments** | | |
| | **Investment in Equity Instruments (at fair value through other comprehensive income)** | | |
| | John Oakey & Mohan Ltd. (Refer note a) | **0.16** | 0.16 |
| | 1,900 (March 31, 2023 : 1,900) equity shares of ₹ 10/- each fully paid up | | |
| | Shivalik Solid Waste Management Ltd. (Refer note a) | **2.00** | 2.00 |
| | 20,000 (March 31, 2023 : 20,000 ) equity shares of ₹ 10/- each fully paid up | | |
| | **In Fellow Subsidiaries :** | | |
| | Saint-Gobain India Pvt. Ltd. | **227,40.00** | 198,30.00 |
| | 28,50,074 (March 31, 2023 : 28,50,074) equity shares of ₹ 10/- each fully paid up | | |
| | Saint-Gobain India Foundation (Refer note a) | **0.01** | 0.01 |
| | 100 (March 31, 2023 : 100) equity shares of ₹ 10/- each fully paid up | | |
| | | **227,42.17** | 198,32.17 |
| | Aggregate amount of quoted investments | **-** | - |
| | Aggregate market value of quoted investments | **-** | - |
| | Aggregate amount of unquoted investments | **242,08.97** | 206,83.52 |
| | Aggregate amount of impairment in value of investments | **-** | - |

Notes:

(a) The change on account of fair value of these investments are immaterial, hence no impact has been considered.

(b) The Company based on its best judgement and estimate has assessed the fair value of its investment in Andhra Pradesh Gas Power Corporation Ltd. to be ₹ NIL as at March 31, 2024.

| | | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **6** | **NON-CURRENT FINANCIAL ASSETS - LOANS** | | |
| | Loans Receivables considered good - Unsecured | | |
| | - Loan to Employees* | **7,78.32** | 6,28.63 |
| | | **7,78.32** | 6,28.63 |

* includes loan to a Key Managerial Person as defined under Companies Act, 2013, of ₹ 1,75.50 lakhs ( March 31, 2023 - ₹ 1,10.94 lakhs) excluding fair valuation impact.

| | | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **7** | **NON-CURRENT - OTHER FINANCIAL ASSETS** | | |
| | Bank Deposits | **14,00.00** | 35,32.55 |
| | (Deposit with remaining maturity of more than 12 months) | | |
| | [(₹ NIL: March 31, 2024)Includes ₹ 24,84.00 lakhs lien with a bank for a term loan as on March 31, 2023 ] | | |
| | Security Deposits | **15,11.98** | 14,88.94 |
| | Advances recoverable in cash or in kind | **40.49** | 40.49 |
| | Less: Provision for doubtful advances | **(40.49)** | (40.49) |
| | | **29,11.98** | 50,21.49 |
| **8** | **NON-CURRENT - INCOME TAX ASSET (Net)** | | |
| | Income tax assets (Net) | **5,96.64** | 7,69.35 |
| | | **5,96.64** | 7,69.35 |
| **9** | **TAX ASSETS** | | |
| | Deferred tax assets (Net) (Refer Note 23) | **4,00.98** | 3,97.68 |
| | | **4,00.98** | 3,97.68 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **10** | **OTHER NON-CURRENT ASSETS** | | |
| | Capital advances | **21,47.37** | 44,17.70 |
| | Advances other than capital advances: | | |
| | - Deposits with Government Authorities | **90.86** | 69.29 |
| | - Prepaid Expenses | **78.03** | 85.90 |
| | - Balances with Government Authorities | **70.94** | 76.54 |
| | | **23,87.20** | 46,49.43 |
| **11** | **CURRENT ASSETS - INVENTORIES** | | |
| | (The mode of valuation of Inventories has been stated in Note : 1.3 (C)) | | |
| | Raw Materials [Includes in transit: ₹ 34,05.78 lakhs (March 31, 2023 - ₹ 20,31.40 lakhs)] | **215,33.42** | 201,63.81 |
| | Work-in-Progress | **87,68.65** | 93,15.16 |
| | Finished Goods [(Includes in transit - ₹ 3,97.99 lakhs (March 31, 2023 - ₹ 13,58.39 lakhs)] | **71,69.68** | 78,55.26 |
| | Stock in Trade [(Includes in transit - ₹ 6,91.17 lakhs (March 31, 2023 - ₹ 4,78.63 lakhs)] | **91,27.23** | 68,72.19 |
| | Stores and Spares | **10,97.81** | 12,11.84 |
| | Packing Materials | **10,63.71** | 9,76.05 |
| | | **487,60.50** | 463,94.31 |

Notes:

(a) Packing Materials are disclosed seperately from Raw Materials for better presentation.

(b) Net of write-downs of inventories amounting to ₹ 6,63.26 lakhs (March 31, 2023 - ₹ 27.89 lakhs) are charged off in the statement of profit and loss.

| | | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **12** | **CURRENT FINANCIAL ASSETS - INVESTMENTS** | | |
| | **Quoted Investments** | | |
| | Investment in Mutual Funds (at Fair Value through Profit and Loss) | **447,25.64** | 435,22.82 |
| | | **447,25.64** | 435,22.82 |
| | Aggregate amount of quoted investments | **447,25.64** | 435,22.82 |
| | Aggregate market value of quoted investments | **447,25.64** | 435,22.82 |
| | Aggregate amount of unquoted investments | **-** | - |
| | Aggregate amount of impairment in value of investments | **-** | - |
| **13** | **CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES** | | |
| | Trade Receivables -Secured and considered good | **-** | **-** |
| | Trade Receivables -Unsecured and considered good - others | **302,48.68** | 214,26.62 |
| | Trade Receivables - Unsecured and considered good - Related Parties (Refer Note No. 49)* | **54,96.96** | 65,93.69 |
| | Trade Receivables which has significant increase in credit risk | **-** | - |
| | Trade Receivables - credit impaired | **7,75.57** | 6,65.52 |
| | | **365,21.21** | 286,85.82 |
| | Less: Allowance for bad and doubtful debts | **(7,75.57)** | (6,65.52) |
| | | **357,45.64** | 280,20.31 |

*Includes ₹ 9,42.05 lakhs (March 31, 2023 - ₹ 10,90.27 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, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**Ageing of trade receivables:**

| As at March 31, 2024 | Outstanding for the following period from the due date of payment: | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **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) | - | 186,14.15 | 159,61.17 | 11,70.32 | - | - | - | **357,45.64** |
| Undisputed Trade Receivables - credit impaired | - | - | - | 74.72 | 3,50.97 | - | 1,80.52 | **6,06.21** |
| Disputed Trade receivables – considered good (Unsecured) | - | - | - | - | - | - | - | **-** |
| Disputed Trade Receivables - credit impaired | - | - | - | - | 22.95 | 23.44 | 1,22.97 | **1,69.36** |
| **Total** | **-** | **186,14.15** | **159,61.17** | **12,45.04** | **3,73.92** | **23.44** | **3,03.49** | **365,21.21** |

| As at March 31, 2023 | Outstanding for the following period from the due date of payment: | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **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) | - | 164,63.34 | 113,14.38 | 2,42.59 | - | - | - | **280,20.31** |
| Undisputed Trade Receivables - credit impaired | - | - | - | 19.97 | 1,63.44 | 12.89 | 4,69.22 | **6,65.52** |
| Disputed Trade receivables – considered good (Unsecured) | - | - | - | - | - | - | - | **-** |
| Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - | **-** |
| **Total** | **-** | **164,63.34** | **113,14.38** | **2,62.56** | **1,63.44** | **12.89** | **4,69.22** | **286,85.82** |

| | **March 31, 2024** | March 31, 2023 |
|---|---|---|
| **14 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS** | | |
| Balances with Banks | | |
| - in Current Accounts | **20,10.43** | 13,61.06 |
| - in Deposit Accounts with original maturity of less than 3 months | **29,00.00** | 26,00.00 |
| Cash Balances | **-** | 0.30 |
| | **49,10.43** | 39,61.36 |
| **15 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 remaining maturity | **161,89.53** | 97,25.00 |
| - Gratuity Fund | **-** | 26.46 |
| Earmarked balances with Banks | | |
| - Margin Money Deposits (Security for Bank Guarantees and Lien with Excise Authorities) | **8.30** | 7.29 |
| - Unpaid Dividend | **1,96.34** | 1,82.29 |
| | **163,94.17** | 99,41.04 |
| **16 CURRENT FINANCIAL ASSETS - LOANS** | | |
| Loans Receivables considered good – Unsecured | | |
| -Loan to Employees* | **1,53.65** | 1,12.27 |
| | **1,53.65** | 1,12.27 |

*Includes loan to a Key Managerial Person as defined under the Companies Act , 2013 of ₹ 26.00 lakhs (March 31, 2023 - ₹ 18.75 lakhs ) excluding fair valuation impact.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **17 CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS** | | |
| Unsecured - considered good | | |
| Dervatives - Foreign-exchange forward contracts | **53.27** | - |
| Employee Advances | **3,05.34** | 2,52.05 |
| Security Deposits | **3,40.24** | 95.13 |
| Interest receivable | **6,41.46** | 3,13.80 |
| Others* | **8,12.08** | 2,54.53 |
| | **21,52.39** | 9,15.51 |

*Includes receivable from Related Parties - ₹ 3,95.50 lakhs (March 31, 2023 - ₹ 2,01.11 lakhs)

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **18 OTHER CURRENT ASSETS** | | |
| Unsecured - considered good, unless otherwise stated | | |
| Export benefit receivable | **77.09** | 73.01 |
| Advances other than Capital advances | | |
| - Prepaid Expenses | **4,97.92** | 4,12.15 |
| - Balances with Government Authorities | **14,40.36** | 13,79.58 |
| - Advances to Suppliers | | |
| Considered good* | **24,74.08** | 31,18.00 |
| Considered Doubtful | **1,62.05** | 1,62.05 |
| | **26,36.13** | 32,80.05 |
| Less-Allowance for doubtful advances | **(1,62.05)** | (1,62.05) |
| | **44,89.45** | 49,82.74 |

* Includes advance to Related Parties - ₹ 4,06.99 lakhs (March 31, 2023 - ₹ 28.54 lakhs)

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **19 EQUITY SHARE CAPITAL** | | |
| **AUTHORISED** | | |
| 13,20,00,000 (March 31, 2023 : 11,20,00,000) Equity Shares of ₹ 5/- each | **66,00.00** | 56,00.00 |
| **ISSUED SUBSCRIBED AND PAID UP** | | |
| 11,07,20,000 (March 31, 2023 : 11,07,20,000) Equity Shares of ₹ 5/- each, fully paid-up | **55,36.00** | 55,36.00 |
| | **55,36.00** | 55,36.00 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**(a) Shareholding of promoters**

| Promoter Name | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Number of shares | % of Holding | % Change during the year | Number of shares | % of Holding | % Change during the year |
| 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%** | **-** | 14,82,515 | 1.34% | - |
| 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 | **10,47,000** | **0.95%** | **0.39%** | 6,17,000 | 0.56% | - |
| Anand Yashavant Mahajan | **5,09,904** | **0.46%** | **-** | 5,09,904 | 0.46% | - |
| Mikhil M Narang | **5,069** | **0.00%** | **-0.39%** | 4,35,069 | 0.39% | -0.04% |
| 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, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | 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 Shareholder's holding more than 5 % of total equity share capital

**(c) Movement in Equity Share Capital**

| **Authorised Share Capital** | **Number of shares** | **Amount** |
|---|---|---|
| As at 31 March 2022 | 11,20,00,000 | 56,00.00 |
| Change during the year | - | - |
| As at 31 March 2023 | 11,20,00,000 | 56,00.00 |
| Change during the year | 2,00,00,000 | 1,000.00 |
| **As at 31 March 2024** | **13,20,00,000** | **66,00.00** |

| **Issued and paid-up share capital** | **Number of shares** | **Amount** |
|---|---|---|
| As at 31 March 2022 | 11,07,20,000 | 5,536.00 |
| Change during the year | - | - |
| As at 31 March 2023 | 11,07,20,000 | 5,536.00 |
| Change during the year | - | - |
| **As at 31 March 2024** | **11,07,20,000** | **5,536.00** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**(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) There are no shares reserved for issue under options and contracts or commitment for the sale of shares or disinvestments.

(f) During the period of five years immediately preceding the date as at which the balance sheet is prepared:

-The Company has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash.

-The Company has not allotted the fully paid up bonus shares.

-The Company has not bought back any of its equity shares.

| | | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **20** | **OTHER EQUITY** | | |
| | Reserves and Surplus (Refer Note 20(a)) | **1,824,48.89** | 1,600,37.67 |
| | Other items of Equity (Refer Note 20(b)) | **175,42.59** | 150,07.21 |
| | | **1,999,91.48** | 1,750,44.88 |
| **20(a)** | **RESERVES AND SURPLUS** | | |
| | Securities Premium | **27,90.82** | 27,90.82 |
| | General Reserve | **402,01.34** | 402,01.34 |
| | Retained Earnings | **1,394,56.73** | 1,170,45.51 |
| | | **1,824,48.89** | 1,600,37.67 |
| | **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 | **1,170,45.51** | 942,20.82 |
| | Net profit for the period | **383,95.61** | 361,52.24 |
| | Add: Share of loss of Non-controlling Interest | **(31.98)** | 38.17 |
| | Add: Other adjustment | **(10.86)** | 10.86 |
| | Items of other comprehensive income | | |
| | Remeasurement of post employment benefit obligation (net of tax) | **1,12.45** | (90.18) |
| | Appropriations | | |
| | Dividend | **(160,54.00)** | (132,86.40) |
| | [Dividend per share ₹ 14.50 for the year 2022-23 (2021-2022- ₹ 12.00)] | | |
| | | **1,394,56.73** | 1,170,45.51 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**20(b) Other Items of Equity**

| | Equity Instruments through Other Comprehensive Income | Share Based Payment Plan Account | Revaluation Surplus | Total |
|---|---|---|---|---|
| As at March 31, 2022 | 127,23.97 | 10,37.41 | 3,35.34 | 140,96.72 |
| Change in fair value of Equity Instruments through Other Comprehensive Income, net of tax | 7,71.76 | - | - | 7,71.76 |
| Share Based Payment (Refer Note 48) | - | 1,38.73 | - | 1,38.73 |
| As at March 31, 2023 | 134,95.73 | 11,76.14 | 3,35.34 | 150,07.21 |
| Change in fair value of Equity Instruments through Other Comprehensive Income, net of tax | 23,71.65 | - | - | 23,71.65 |
| Share Based Payment (Refer Note 48) | - | 1,63.73 | - | 1,63.73 |
| **As at March 31, 2024** | **158,67.38** | **13,39.87** | **3,35.34** | **175,42.59** |

**Nature and purpose of reserves:**

**(i) Securities Premium**

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

**(ii) General Reserve**

The General Reserve is a free reserve, retained from Company's profits. The reserve can be utilised as per the provisions of the Act.

**(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 accumalated 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 above reserve relates to share options granted by the Ultimate Holding Company to specific employees of its subsidiaries under its employee stock option plan. Further information about share-based payments to employees is set out in Note 48.

**(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. The surplus can be utilised as per the provisions of the Act.

| | **March 31, 2024** | March 31, 2023 |
|---|---|---|
| **21A NON-CURRENT FINANCIAL LIABILITIES -BORROWINGS** | | |
| Term Loan - from Bank | **6,36.19** | 3,95.18 |
| | **6,36.19** | 3,95.18 |

The Company had been sanctioned a secured Term Loan in the earlier years amounting to ₹ 25,00.00 lakhs from Axis Bank for purchase of capital assets. The sanctioned loan has been modified during the year to unsecured term loan. The loan is repayable in 60 equal monthly installments from the date of first disbursement and carries interest linked to 6 M MCLR of the bank (presently 9.05% p.a.) (7% p.a. as at March 31, 2023). The Company has taken an disbursement amounting to ₹ 21,38.21 lakhs as at March 31, 2024 (₹ 13,96.07 lakhs as at March 31, 2023) for stated purpose.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **21B** | **NON-CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES** | | |
| | Lease liabilities (Refer Note 46 B) | **54,10.85** | 25,50.17 |
| | | **54,10.85** | 25,50.17 |
| **22** | **NON-CURRENT LIABILITIES - PROVISIONS** | | |
| | Compensated Absences | **36,73.68** | 35,15.15 |
| | Gratuity | **-** | 3,98.27 |
| | Others (Refer Note 22.1) | **12,88.24** | 12,88.24 |
| | | **49,61.92** | 52,01.66 |
| **22.1** | **Details of Other Provisions** | | |
| | Opening Balance | **12,88.24** | 12,88.24 |
| | Provision made during the year | **-** | - |
| | Paid/reversed during the year | **-** | - |
| | Closing Balance | **12,88.24** | 12,88.24 |
| **23** | **DEFERRED TAX LIABILITIES (NET)** | | |
| | **Deferred Tax Liabilities** | | |
| | The balance comprises temporary differences attributable to: | | |
| | Property, plant and equipment and Intangible assets | **22,71.12** | 21,30.06 |
| | Financial assets at FVOCI | **21,39.83** | 16,01.53 |
| | **Total Deferred tax Liabilities** | **44,10.95** | 37,31.59 |
| | **Deferred tax asset** | | |
| | The balance comprises temporary differences attributable to: | | |
| | Provision for employee benefits | **(18,77.63)** | (16,31.57) |
| | Minimum Alternate Tax credit entitlement | **-** | (1,88.96) |
| | Others | **(3,23.42)** | (5,25.78) |
| | **Total Deferred tax asset** | **(22,01.05)** | (23,46.31) |
| | | **22,09.90** | 13,85.28 |

**Movement in deferred tax Liabilities and Asset**

| | Property, plant and equipment and Intangible assets | Provision for employee benefits | Financial Assets at FV OCI | Others | Total | Depreciation and Other items in Another Jurisdiction |
|---|---|---|---|---|---|---|
| As at March 31, 2022 | 17,86.10 | (12,71.00) | 15,50.29 | (5,14.92) | 15,50.47 | (3,41.63) |
| Charged/(credited): | | | | | | |
| Acquired through business combination | 3,10.11 | (1,78.19) | - | (2,07.13) | (75.21) | - |
| - to profit or loss | 33.85 | (1,82.38) | - | 7.31 | (1,41.22) | (56.04) |
| - to other comprehensive income | - | - | 51.24 | - | 51.24 | - |
| As at March 31, 2023 | 21,30.06 | (16,31.57) | 16,01.53 | (7,14.74) | 13,85.28 | (3,97.67) |
| Charged/(credited): | | | | | - | |
| - Minimum Alternate Tax credit written off | - | - | - | 1,40.55 | 1,40.55 | |
| - to profit or loss | 1,41.06 | (2,46.06) | - | 2,50.77 | 1,45.77 | (3.31) |
| - to other comprehensive income | - | - | 5,38.30 | - | 5,38.30 | - |
| **As at March 31, 2024** | **22,71.12** | **(18,77.63)** | **21,39.83** | **(3,23.42)** | **22,09.90** | **(4,00.98)** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **24** | **NON-CURRENT LIABILITIES - OTHER NON-CURRENT LIABILITIES** | | |
| | Deferred Income Liability | **31.03** | 42.02 |
| | | **31.03** | 42.02 |
| **25A** | **CURRENT FINANCIAL LIABILITIES -BORROWINGS** | | |
| | Current maturities of long term borrowing [Refer Note 21A] | **5,00.00** | 5,00.00 |
| | Bank Overdraft | **6,69.11** | 8,58.96 |
| | | **11,69.11** | 13,58.96 |

| | | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **25B** | **CURRENT FINANCIAL LIABILITIES -LEASE LIABILITIES** | | |
| | Lease liabilities (Refer Note 46 B) | **10,43.49** | 8,32.14 |
| | | **10,43.49** | 8,32.14 |

| | | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **26** | **CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES** | | |
| | Total outstanding due to Micro Enterprises and Small Enterprises | **5,78.73** | 9,16.38 |
| | Total outstanding due to creditors other than Micro Enterprises and Small Enterprises | **267,95.96** | 199,44.38 |
| | Total outstanding due to Related Parties (Refer Note 49) | **88,62.33** | 70,62.43 |
| | | **362,37.02** | 279,23.19 |

**Ageing of trade payables:**

| As at March 31, 2024 | Outstanding for the following period from the due date of payment: | | | | | | |
|---|---|---|---|---|---|---|---|
| **Particular** | **Unbilled** | **Not Due** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| (i) Micro Enterprises and Small Enterprises | - | 5,14.52 | 36.34 | 4.87 | - | 23.00 | 5,78.73 |
| (ii) Others | 170,45.90 | 141,80.07 | 42,68.31 | 36.64 | 50.93 | 76.44 | 356,58.29 |
| (iii) Disputed dues – Micro Enterprises and Small Enterprises | - | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - | - |
| | **170,45.90** | **146,94.59** | **43,04.65** | **41.51** | **50.93** | **99.44** | **362,37.02** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| As at March 31, 2023 | Outstanding for the following period from the due date of payment: | | | | | | |
|---|---|---|---|---|---|---|---|
| **Particular** | **Unbilled** | **Not Due** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| (i) Micro Enterprises and Small Enterprises | - | 5,29.61 | 3,41.66 | 9.83 | 30.78 | 4.50 | 9,16.38 |
| (ii) Others | 130,72.22 | 101,66.29 | 33,14.36 | 3,48.70 | 41.15 | 64.09 | 270,06.81 |
| (iii) Disputed dues – Micro Enterprises and Small Enterprises | - | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - | - |
| | **130,72.22** | **106,95.90** | **36,56.02** | **3,58.53** | **71.93** | **68.59** | **279,23.19** |

| | **March 31, 2024** | March 31, 2023 |
|---|---|---|
| **27 CURRENT - OTHER FINANCIAL LIABILITIES** | | |
| Trade / Security Deposits | **16,69.54** | 13,90.37 |
| Unpaid Dividend * | **1,96.34** | 1,82.29 |
| Commission due to directors | **1,00.00** | 1,00.00 |
| Payable for Discounts to Dealers | **29,41.97** | 19,79.88 |
| Derivatives- Foreign-exchange forward contracts | **-** | 4,41.39 |
| Capital Creditors | **9,47.27** | 22,40.64 |
| Employee related payables | **36,29.20** | 27,61.16 |
| | **94,84.32** | 90,95.73 |

*The Company has transferred the amounts required to be transferred to the Investor Education and Protection Fund (IEPF) within due date, except ₹ 1.68 lakhs (₹ 1.43 lakhs as at March 31, 2023), which is held in abeyance, for cases where disputes relating to ownership of the underlying shares have remained unresolved.

| | **March 31, 2024** | March 31, 2023 |
|---|---|---|
| **28 CURRENT LIABILITIES - PROVISIONS** | | |
| Compensated Absences | **10,05.47** | 7,99.16 |
| Gratuity (Refer Note 36.1) | **7,78.45** | 8,71.26 |
| Others (Refer Note 28.1) | **17,27.02** | 9,06.37 |
| | **35,10.94** | 25,76.79 |

| **28.1 Details of Other Provisions** | **Warranty Provision** | **Others** | **Total** |
|---|---|---|---|
| Opening Balance as at March 31, 2022 | - | 16,93.23 | 16,93.23 |
| Provision made during the year | - | 1,50.36 | 1,50.36 |
| Paid/reversed during the year | - | (9,37.22) | (9,37.22) |
| Closing Balance as at March 31, 2023 | - | 9,06.37 | 9,06.37 |
| Provision made during the year | 8,00.39 | 62.74 | 8,63.13 |
| Paid/reversed during the year | - | (42.48) | (42.48) |
| Closing Balance as at March 31, 2024 | **8,00.39** | **9,26.63** | 17,27.02 |

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **29** | **CURRENT TAX LIABILITIES** | | |
| | Income Tax Liabilities (Net) | **7,90.04** | 25,10.50 |
| | | **7,90.04** | 25,10.50 |
| **30** | **OTHER CURRENT LIABILITIES** | | |
| | Statutory Liabilities | **22,41.34** | 24,62.59 |
| | Deferred Income Liability | **14.50** | 14.39 |
| | Advance from customers* | **25,43.82** | 29,52.64 |
| | | **47,99.66** | 54,29.62 |
| | *Includes advance from Related Parties - ₹ 2,05.40 lakhs (March 31, 2023 - ₹ 7,79.86 lakhs) | | |
| **31** | **REVENUE FROM OPERATIONS** | | |
| | Sale of products (Refer Note 31.1) | **2,438,45.27** | 2,348,19.86 |
| | Service Income | **230,18.77** | 176,99.91 |
| | Other operating revenue | **18,12.58** | 16,14.47 |
| | | **2,686,76.62** | 2,541,34.24 |
| **31.1** | **Sale of products** | | |
| | Abrasives | **1,349,18.55** | 1,129,39.58 |
| | Ceramics & Plastics | **1,042,79.55** | 1,182,01.46 |
| | Others | **46,47.17** | 36,78.82 |
| | | **2,438,45.27** | 2,348,19.86 |
| **31.2** | **Reconciliation of revenue recognised with contract price** | | |
| | Revenue from contracts with customers at Contract Price | **2,731,04.22** | 2,574,93.05 |
| | Less : Discounts and Rebates on Sale of Products | **(62,40.18)** | (49,73.28) |
| | | **2,668,64.04** | 2,525,19.77 |
| | Other operating revenue | **18,12.58** | 16,14.47 |
| | **Revenue from operations** | **2,686,76.62** | 2,541,34.24 |
| **32** | **OTHER INCOME** | | |
| | Interest income | | |
| | - Investments in fixed deposits | **14,40.60** | 8,14.59 |
| | - Others | **71.49** | 1,05.38 |
| | Interest income from financial assets at amortised cost | **24.48** | 14.51 |
| | Dividend Income | **9,40.52** | 6,27.42 |
| | Net gain on redemption of investments in Mutual Fund | **23,61.29** | 19,21.98 |
| | Net gain on investments in Mutual Fund measured at fair value through profit or loss | **4,62.78** | 1,51.91 |
| | Net gain on foreign currency transactions | **23.12** | - |
| | Unwinding of discount on security deposits | **37.14** | 22.54 |
| | Other Non-operating income | **14,69.68** | 19,48.34 |
| | | **68,31.10** | 56,06.67 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **33** | **COST OF MATERIALS CONSUMED** | | |
| | Opening inventories of Raw Materials | **923,76.19** | 223,12.25 |
| | Add : Acquisitions through business combinations | **-** | 11,79.41 |
| | Add : Purchases | **175,13.61** | 890,48.34 |
| | Less: Closing inventories of Raw Materials | **(215,33.42)** | (201,63.81) |
| | | **883,56.38** | 923,76.19 |
| **34** | **PURCHASE OF STOCK-IN-TRADE** | | |
| | Abrasives | **223,58.86** | 181,74.39 |
| | Ceramics & Plastics | **82,67.24** | 65,37.85 |
| | Others | **27,05.34** | 19,95.70 |
| | | **333,31.44** | 267,07.94 |
| **35** | **CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS** | | |
| | **Opening inventories of** | | |
| | Finished Goods | **78,55.26** | 65,49.97 |
| | Stock-in-Trade | **68,72.19** | 59,59.80 |
| | Work-In-Progress | **93,15.16** | 76,11.02 |
| | | **240,42.61** | 201,20.79 |
| | Add : Acquisitions through business combinations | **-** | 10,05.49 |
| | **Less : Closing inventories of** | | |
| | Finished Goods | **(71,69.68)** | (78,55.26) |
| | Stock in Trade | **(91,27.23)** | (68,72.19) |
| | Work-In-Progress | **(87,68.64)** | (93,15.16) |
| | | **(250,65.55)** | (240,42.61) |
| | | **(10,22.94)** | (29,16.33) |
| **36** | **EMPLOYEE BENEFITS EXPENSE** | | |
| | Salaries, Wages and Bonus | **273,10.19** | 248,85.70 |
| | Share Based Payments | **1,63.73** | 1,38.73 |
| | Contribution to provident, other funds and Gratuity (Refer Note 36.1) | **20,23.70** | 18,92.42 |
| | Staff welfare | **30,81.32** | 28,19.25 |
| | | **325,78.94** | 297,36.10 |

**36.1 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 | **11,74.51** | 11,13.81 |
| Employer's Contribution to Superannuation Fund | **71.98** | 68.43 |
| Other Contributions | **18.02** | 34.28 |

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

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, 2024:

| | | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **i)** | **Change in present value of defined benefit obligation** | | |
| | Present Value of defined benefit obligation at the beginning of the year | **91,72.35** | 82,36.37 |
| | Interest Cost | **7,24.01** | 5,88.90 |
| | Current service cost | **7,59.19** | 6,75.90 |
| | Liability Transferred in on transfer of employees | **5,19.83** | - |
| | Benefits paid | **(5,49.26)** | (4,71.15) |
| | Actuarial changes arising from changes in demographic assumptions | **(2,29.29)** | - |
| | Actuarial changes arising from changes in financial assumptions | **2,34.91** | (1,65.06) |
| | Actuarial changes arising from experience assumptions | **(93.54)** | 3,07.39 |
| | Present Value of defined benefit obligation at the end of the year | **105,38.17** | 91,72.35 |
| **ii)** | **Change in fair value of plan assets** | | |
| | Fair Value of plan assets at the beginning of the year | **83,64.37** | 79,55.84 |
| | Interest Income | **6,25.80** | 5,68.84 |
| | Contributions paid by the employer | **12,55.07** | 2,80.49 |
| | Assets Transferred on transfer of employees | **13.09** | - |
| | Benefits paid from the fund | **(5,49.26)** | (4,71.14) |
| | Return on plan assets, excluding interest income | **67.57** | 30.34 |
| | Fair Value of plan assets at the end of the year | **97,76.64** | 83,64.37 |
| **iii)** | **Net asset / (liability) recognised in the Balance Sheet** | | |
| | Present Value of defined benefit obligation at the end of the year | **(105,38.17)** | (91,72.35) |
| | Fair Value of plan assets at the end of the year | **97,76.64** | 83,64.37 |
| | Amount recognised in the balance sheet | **(7,61.54)** | (8,07.98) |
| | Net Asset / (Liability) recognised - current | **(7,78.45)** | (8,71.26) |
| | Net Asset / (Liability) recognised - non current | **-** | (3,98.27) |
| **iv)** | **Expense recognised in the statement of profit and loss for the year** | | |
| | Current service cost | **7,59.19** | 6,75.90 |
| | Interest cost on defined benefit obligation | **98.21** | 20.06 |
| | Total expenses included in statement of profit and loss | **8,57.39** | 6,95.96 |
| **v)** | **Recognised in Other Comprehensive Income for the year** | | |
| | Actuarial changes arising from changes in financial assumptions | **2,34.91** | (1,65.06) |
| | Actuarial changes arising from experience assumptions | **(93.54)** | 3,07.39 |
| | Actuarial changes arising from changes in demographic assumptions | **(2,29.29)** | - |
| | Actuarial Losses/(Gains) on Obligation for the period | **(87.93)** | 1,42.33 |
| | Return on plan assets, excluding interest income | **(67.57)** | (30.34) |
| | Recognised in other comprehensive income | **(1,55.50)** | 1,11.99 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **vi) Actuarial Assumptions** | | |
| Expected return on plan assets | **7.19%** | 7.47% |
| Rate of Discounting | **7.19%** | 7.47% |
| Rate of Salary Increase | **9.00%** | 9.00% |
| Rate of Employee Turnover | **For service period 4 years and below 16.00% p.a. For service period 5 years and above 9.00% p.a.** | For service period 4 years and below 8.00% p.a. For service period 5 years and above 5.00% p.a. |
| Mortality Rate During Employment | **Indian Assured Lives Mortality 2012-14 (Urban)** | Indian Assured Lives Mortality 2012-14 (Urban) |
| **vii) Sensitivity Analysis** | | |
| Projected Benefit Obligation on Current Assumptions | **105,38.17** | 91,72.35 |
| Delta Effect of +0.5% Change in Rate of Discounting | **(2,15.25)** | (2,44.80) |
| Delta Effect of -0.5% Change in Rate of Discounting | **2,27.08** | 2,60.96 |
| Delta Effect of +0.5% Change in Rate of Salary Increase | **2,22.17** | 2,55.97 |
| Delta Effect of -0.5% Change in Rate of Salary Increase | **(2,12.72)** | (2,42.55) |
| Delta Effect of +0.5% Change in Rate of Employee Turnover | **(27.33)** | (28.96) |
| Delta Effect of -0.5% Change in Rate of Employee Turnover | **28.44** | 30.21 |
| 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.

**viii) Maturity profile of defined benefit obligation**

The weighted average duration of the defined benefit obligation is 5 years (March 31, 2023 - 7 years). The expected maturity analysis of gratuity on undiscounted basis is as follows:

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Projected Benefits Payable in Future Years From the Date of Reporting, | | |
| 1st Following Year | **19,55.12** | 13,20.86 |
| 2nd Following Year | **20,88.24** | 17,43.09 |
| 3rd Following Year | **14,16.66** | 8,21.77 |
| 4th Following Year | **13,45.54** | 8,97.62 |
| 5th Following Year | **8,03.26** | 11,36.05 |
| Sum of Years 6 To 10 | **35,12.54** | 32,85.33 |
| Sum of Years 11 and above | **45,06.35** | 68,12.32 |
| **ix) Major categories of plan assets are as follows:** | | |
| Insurer managed funds | **97,76.64** | 83,64.37 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**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 ₹ 9,77.51 lakhs (March 31, 2023: ₹ 8,38.60 lakhs) to the defined benefit plans during the next financial year.

| | | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **37** | **FINANCE COSTS** | | |
| | Interest Expense* | **2,09.51** | 5,44.68 |
| | Interest Cost on defined benefit obligation (net) | **98.21** | 20.06 |
| | Interest Expense on Lease Liabilities | **4,68.13** | 2,15.34 |
| | | **7,75.85** | 7,80.08 |
| | *Net of borrowing cost capitalised of ₹ 80.58 Lakhs (March 31, 2023: ₹ 30.70 Lakhs) | | |
| **38** | **DEPRECIATION AND AMORTISATION EXPENSE** | | |
| | Depreciation of Property, Plant and Equipment | **55,19.38** | 49,06.98 |
| | Depreciation of Right-of-use assets | **11,76.73** | 7,77.62 |
| | Amortisation of Intangible Assets | **3,91.96** | 3,29.96 |
| | | **70,88.07** | 60,14.56 |
| **39** | **OTHER EXPENSES** | | |
| | Consumption of Stores and Spares | **52,58.10** | 50,37.68 |
| | Processing charges | **44,84.24** | 38,39.82 |
| | Power and Fuel | **125,52.40** | 115,80.92 |
| | Freight and packing expenses | **116,69.99** | 115,40.95 |
| | Rent / Lease payment | **6,99.98** | 8,01.37 |
| | Repairs and Maintenance | | |
| | Building | **4,24.64** | 4,80.44 |
| | Machinery | **7,55.59** | 7,74.34 |
| | Others | **3,68.17** | 2,03.03 |
| | | **15,48.40** | 14,57.81 |
| | Insurance | **4,82.79** | 3,50.52 |
| | Rates and Taxes | **3,16.31** | 2,50.35 |
| | Travelling and Conveyance | **27,95.81** | 27,95.10 |
| | Commission | **6,98.83** | 8,42.15 |
| | Royalties | **45,18.21** | 41,78.15 |
| | Loss on assets discarded /sold (net) | **1,13.47** | 3,48.79 |
| | External Service charges | **85,90.76** | 70,93.52 |
| | Bad debts & Advances written off | **45.23** | 1,29.45 |
| | Provision/(Recovery) of Doubtful Debts and advances(net) | **33.15** | (1,68.44) |
| | Net loss on foreign currency transactions | **-** | 7,31.74 |
| | Payments to auditor | **61.26** | 45.80 |
| | Corporate social responsibility expenditure | **7,48.00** | 6,17.27 |
| | Miscellaneous expenses | **88,72.44** | 67,93.58 |
| | | **634,89.37** | 582,66.53 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**40 Exceptional item**

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Loss on sale of investment in joint venture | **(35.25)** | - |
| | **(35.25)** | - |

The Group has executed a Share Sale and Purchase Agreement with Shinagawa Refractories Co. Ltd. (Japan), and SG Shinagawa Refractories India Private Limited for the sale of 49% of its equity stake held in SG Shinagawa Refractories India Private Limited on October 26, 2023, for a consideration of ₹ 8,07.42 lakhs. The closing transfer procedures have been completed on November 30, 2023.

The Group has accounted for the loss on sale of investment of ₹ 35.25 Lakhs as an exceptional item.

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **41 TAX EXPENSE** | | |
| **(a) Income-tax expense** | | |
| Current tax | | |
| Current tax on profits for the year | **126,24.50** | 127,02.01 |
| Adjustments/(credits) related to previous years (net) | **(4,21.18)** | - |
| **Total current tax expense** | **122,03.32** | 127,02.01 |
| Deferred tax | | |
| Decrease / (increase) in deferred tax assets | **93.49** | (2,98.51) |
| (Decrease) / increase in deferred tax liabilities | **1,41.06** | 33.85 |
| **Total deferred tax expense/(benefit)** | **2,34.55** | (2,64.66) |
| **Income-tax expense** | **124,37.87** | 124,37.35 |
| **(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:** | | |
| Profit before income tax expense | **508,33.48** | 485,89.59 |
| **Tax at the Indian tax rate of 25.17 % (2022-2023 – 25.17%)** | **127,94.79** | 122,30.00 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Corporate social responsibility expenditure | **1,88.27** | 1,55.37 |
| Other items | **33.84** | 53.20 |
| Deduction under section 80M of Income Tax Act, 1961 on Dividend income | **(2,36.73)** | (1,57.80) |
| Adjustments/(credits) related to previous years (net) | **(4,21.18)** | - |
| Minimum Alternate Tax credit written off | **1,40.55** | - |
| Difference in overseas tax rates | **(61.67)** | 1,56.58 |
| **Income tax expense** | **124,37.87** | 124,37.35 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| 42 EARNINGS PER SHARE | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **(a) Basic earnings per share** | | |
| Basic earnings per share attributable to the equity shares holders of the Company (₹) | **34.65** | 32.69 |
| **(b) Diluted earnings per share** | | |
| Diluted earnings per share attributable to the equity shares holders of the Company (₹) | **34.65** | 32.69 |
| **(c) Reconciliation of earnings used in calculating earnings per share** | | |
| Basic earnings per share (₹) | **34.65** | 32.69 |
| Profit attributable to equity holders of the Company used in calculating basic earnings per share | **383,63.63** | 361,90.41 |
| Diluted earnings per share (₹) | **34.65** | 32.69 |
| Profit attributable to equity holders of the Company used in calculating diluted earnings per share | **383,63.68** | 361,90.41 |
| **(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** | 11,0720,000 |

*(All amounts in ₹ lakhs, unless otherwise stated)*

## 43 FAIR VALUE MEASUREMENTS

### Financial instruments by category

| | March 31, 2024 | | | March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | **FVTPL** | **FVTOCI** | **Amortised cost** | FVTPL | FVTOCI | Amortised cost |
| **Financial assets** | | | | | | |
| Investments | | | | | | |
| - Equity instruments | **-** | **227,42.17** | **-** | - | 198,32.17 | - |
| - Mutual funds | **447,25.64** | **-** | | 435,22.82 | - | - |
| Trade receivables | **-** | **-** | **357,45.64** | - | - | 280,20.30 |
| Cash and Bank Balances | **-** | **-** | **227,04.60** | - | - | 174,34.95 |
| Loan to employees | **-** | **-** | **9,31.97** | - | - | 7,40.90 |
| Security deposits | **-** | **-** | **18,52.22** | - | - | 15,84.07 |
| Foreign-Exchange Forward Contracts | **53.27** | **-** | **-** | - | - | - |
| Employee Advances | **-** | **-** | **3,05.34** | - | - | 2,52.05 |
| Other receivables (Unsecured) | **-** | **-** | **14,53.54** | - | - | 5,68.33 |
| **Total financial assets** | **447,78.91** | **227,42.17** | **629,93.31** | 435,22.82 | 198,32.17 | 486,00.61 |
| **Financial liabilities** | | | | | | |
| Borrowings | **-** | **-** | **18,05.30** | - | - | 17,54.14 |
| Lease liabilities | **-** | **-** | **64,54.34** | - | - | 33,82.31 |
| Trade payables | **-** | **-** | **362,37.02** | - | - | 279,23.19 |
| Trade / Security Deposits | **-** | **-** | **16,69.54** | - | - | 13,90.37 |
| Unclaimed Dividend | **-** | **-** | **1,96.34** | - | - | 1,82.29 |
| Capital creditors | **-** | **-** | **9,47.27** | - | - | 22,40.64 |
| Foreign-Exchange Forward Contracts | **-** | **-** | **-** | 4,41.39 | - | - |
| Other financial liabilities | **-** | **-** | **66,71.17** | - | - | 48,41.04 |
| **Total financial liabilities** | **-** | **-** | **539,80.98** | 4,41.39 | - | 417,13.98 |

### (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.

*(All amounts in ₹ lakhs, unless otherwise stated)*

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

| As at March 31, 2024 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| **Financial Investments at FVTOCI:** | | | | | |
| Unquoted Equity Investments | 5B | - | - | 227,42.17 | 227,42.17 |
| **Financial Investments at FVTPL:** | | | | | |
| Mutual Funds | 12 | 447,25.64 | - | - | 447,25.64 |
| **Derivatives not designated as hedges:** | | | | | |
| Foreign-Exchange Forward Contracts | 17 | - | 53.27 | - | 53.27 |
| **Total Financial Assets** | | **447,25.64** | **53.27** | **227,42.17** | **675,21.08** |
| **Total Financial Liabilities** | | **-** | **-** | **-** | **-** |

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

| As at March 31, 2024 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial Assets** | | | | | |
| **Loans** | | | | | |
| Loans to employees | 6,16 | - | - | 9,19.20 | 9,19.20 |
| **Other Financials Asset** | | | | | |
| Security deposits | 7,17 | - | - | 18,52.22 | 18,52.22 |
| Bank Deposits | 7 | 14,00.00 | - | - | 14,00.00 |
| **Total Financial Assets** | | **14,00.00** | **-** | **27,71.42** | **41,71.42** |
| **Total Financial Liabilities** | | **-** | **-** | **-** | **-** |

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

| As at March 31, 2023 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| **Financial Investments at FVTOCI:** | | | | | |
| Unquoted Equity Investments | 5B | - | - | 198,32.17 | 198,32.17 |
| **Financial Investments at FVTPL:** | | | | | |
| Mutual Funds | 12 | 435,22.82 | - | - | 435,22.82 |
| **Derivatives not designated as hedges:** | | | | | |
| Foreign-Exchange Forward Contracts | 27 | - | 4,41.39 | - | 4,41.39 |
| **Total Financial Assets** | | **435,22.82** | **-** | **1,98,32.17** | **633,54.99** |
| **Total Financial Liabilities** | | **-** | **4,41.39** | **-** | **4,41.39** |

*(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, 2023 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial Assets** | | | | | |
| **Loans** | | | | | |
| Loans to employees | 6,16 | - | - | 6,55.35 | 6,55.35 |
| **Other Financials Asset** | | | | | |
| Security deposits | 7,17 | - | - | 15,84.07 | 15,84.07 |
| Bank Deposits | 7 | 35,32.55 | - | - | 35,32.55 |
| **Total Financial Assets** | | **35,32.55** | **-** | **22,39.42** | **57,71.97** |
| **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 the 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, 2024

*(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, 2024 & March 31, 2023.

**Unquoted Equity Instruments**

| | |
|---|---|
| As on March 31, 2022 | 190,09.17 |
| Acquisitions | - |
| Gain recognised in other comprehensive income | 8,23.00 |
| As on March 31, 2023 | 198,32.17 |
| Acquisitions | - |
| Gain recognised in other comprehensive income | 29,10.00 |
| **As on March 31, 2024** | **227,42.17** |

**(iv) Valuation inputs and relationships to fair value**

| Particulars | Fair value as at | | Significant Unobservable Inputs | Probable - weighted range | | Sensitivity |
|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | | March 31, 2024 | March 31, 2023 | |
| Unquoted equity shares : Saint-Gobain India Pvt. Ltd. (SGIPL) | **227,40.00** | 198,30.00 | 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 ₹ 245,30.00 lakhs (March 31, 2023 ₹ 211,10.00 lakhs).<br>1% Decrease in the long-term growth rate would result in decrease in stake value to ₹2,1260.00 lakhs (March 31, 2023 ₹ 187,50.00 lakhs). |
| | | | Weighted Average Cost of Capital (WACC) | 14.6% - 16.6% (15.6%) | 15.3% - 17.3% (16.3%) | 1% Increase in the WACC would result in decrease in stake value to ₹ 209,40.00 lakhs (March 31, 2023 ₹183,30.00 lakhs).<br>1% Decrease in the WACC would result in Increase in stake value to ₹ 249,20.00 lakhs (March 31, 2023 ₹216,20.00 lakhs). |
| | | | Long term operating margin | 18.5% - 20.5% (19.5%) | 18% - 20% (19.0%) | 1% Increase in the long term operating margin would result in increase in stake value to ₹ 237,70.00 lakhs (March 31, 2023 ₹ 206,70.00 Lakhs).<br>1% Decrease in the long term operating margin would result in decrease in stake value to ₹ 217,10 lakhs (March 31,2023 ₹ 189,90 Lakhs). |
| | | | Marketability discount | 10%-20% (15%) | 10%-20% (15%) | 5% Increase in marketability discount would result in decrease in stake value to ₹ 214,00.00 lakhs (March 31, 2023 ₹ 186,60.00 Lakhs).<br>5% Decrease in marketability discount would result in increase in stake value to ₹ 240,80.00 lakhs (March 31, 2023 ₹ 209,90.00 Lakhs). |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(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.

**(vi) Fair value of financial assets and liabilities measured at amortised cost**

| | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | **Carrying amount** | **Fair value** | Carrying amount | Fair value |
| **Financial assets** | | | | |
| **Loans** | | | | |
| Loans to employees | **9,31.97** | **9,19.20** | 7,40.90 | 6,55.35 |
| Security deposits | **18,52.22** | **18,52.22** | 15,84.07 | 15,84.07 |
| Bank Deposit | **14,00.00** | **14,00.00** | 35,32.55 | 35,32.55 |
| **Total financial assets** | **41,84.19** | **41,71.42** | 58,57.52 | 57,71.97 |

The carrying amounts of trade receivables, 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.

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

## 44 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

The Group's risk management is carried out by a central Treasury department under policies approved by the Board of Directors. The Treasury department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

**(A) Credit risk**

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from outstanding receivables from free market dealers, cash and cash equivalents, 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 debt mutual fund units.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**(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 1,09 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 Company believes that there are no customers or group of customers that would be subjected to any significant credit risks in the collection of the trade receivable.

The Company has evaluated percentage of allowance for doubtful debts with the trade receivables over the years:

| **Particulars** | **March 31, 2024** | March 31, 2023 |
|---|---|---|
| Trade Receivables | **365,21.21** | 286,85.82 |
| Allowance for bad and doubtful debts | **7,75.57** | 6,65.52 |
| Percentage | **2.12%** | 2.32% |

**(ii) Reconciliation of Allowance – Trade receivables**

| | |
|---|---|
| Allowance for bad and doubtful debts on March 31, 2022 | 6,78.08 |
| Changes in allowance | (12.56) |
| Allowance for bad and doubtful debts on March 31, 2023 | 6,65.52 |
| Changes in allowance | 1,10.05 |
| **Allowance for bad and doubtful debts on March 31, 2024** | **7,75.57** |

**(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, 2024** | March 31, 2023 |
|---|---|---|
| **Floating rate** | | |
| - Expiring beyond one year (bank loans and overdrafts) | **139,14.85** | 37,04.00 |

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

**(ii) Maturities of financial liabilities**

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(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, 2024** | | | | |
| **Non-derivatives** | | | | |
| Borrowing | 11,69.11 | 6,36.19 | - | 18,05.30 |
| Lease liabilities | 15,91.45 | 16,53.36 | 51,48.50 | 83,93.31 |
| Trade payables | 362,37.02 | - | - | 362,37.02 |
| Other financial liabilities | 94,84.32 | - | - | 94,84.32 |
| **Total non-derivative liabilities** | **4,84,81.90** | **22,89.55** | **51,48.50** | **5,59,19.95** |
| **March 31, 2023** | | | | |
| **Non-derivatives** | | | | |
| Borrowing | 13,58.96 | 3,95.18 | - | 17,54.14 |
| Lease liabilities | 11,00.42 | 8,63.56 | 21,16.20 | 40,80.18 |
| Trade payables | 279,23.19 | - | - | 279,23.19 |
| Other financial liabilities | 90,95.73 | - | - | 90,95.73 |
| **Total non-derivative liabilities** | **394,78.30** | **12,58.74** | **21,16.20** | **428,53.24** |

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

| | Currency | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **Trade receivables** | USD | **49,39.25** | 45,81.07 |
| | EUR | **29,45.73** | 32,06.45 |
| | Others | **38.25** | 47.20 |

| | Currency | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **Trade Payable** | USD | **37,37.43** | 25,02.52 |
| | EUR | **22,73.66** | 38,94.57 |
| | CNY | **36,91.25** | 11,83.75 |
| | Others | **4,16.11** | 4,49.92 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

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

| | Currency | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **Forward Contracts (Sell)** | USD | **68,58.26** | 60,79.92 |
| | EUR | **83,77.91** | 1,09,62.63 |
| | Others | **37.48** | 21.39 |

| | Currency | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| **Forward Contracts (Buy)** | USD | **39,15.05** | 36,75.46 |
| | EUR | **31,53.66** | 23,50.43 |
| | CNY | **21,78.55** | 15,14.71 |
| | Others | **3,45.70** | 2,80.43 |

## 45 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.

**The Company monitors capital using a gearing ratio and is measured by net debt divided by total equity.**

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Total Debt (excluding lease liabililties) | 18,05.30 | 17,54.14 |
| Total equity | 2,066,77.83 | 1,816,88.39 |
| **Adjusted net debts to total equity** | **0.87%** | 0.97% |

### (b) Dividends

| | March 31, 2024 | March 31, 20,21 |
|---|---|---|
| **(i) Dividend paid during the year** | | |
| Final dividend paid during the year ₹ 14.50 per fully paid up share (March 31, 2022 - ₹ 12.00 per fully paid up share) | **160,54.00** | 132,86.40 |

**(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 ₹ 17.00 each per fully paid equity share (March 31, 2023 – ₹ 14.50). 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, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

## 46 CONTINGENT LIABILITIES

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| (a) Excise, Service Tax & Custom Duty demands pending with the appropriate authorities and disputed by the Parent Company | **6,45.91** | 6,44.45 |
| (b) Sales Tax demands pending with the authorities and disputed by the Parent Company | **36.44** | 36.44 |
| (c) Claims against the Parent Company under the Labour Laws disputed by the Parent Company | **41.81** | 1,22.31 |
| (d) Guarantees given by Banks, as counter guaranteed by the Company | **22,70.25** | 9,18.06 |
| (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 * | **13,40.77** | 13,40.77 |
| (h) Income tax liability on account of disputed disallowances | **23.99** | 79.71 |
| (i) Goods and Services Tax liability for Credit of duty paid on Goods and Services received prior to July 1, 2017 | **1,54.79** | 16.18 |

*The invoice of SPDCL towards power charges reflect a demand of ₹ 99,74.00 lakhs as at March 31, 2024 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.

## 46 A COMMITMENTS

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Capital commitments** | | |
| Estimated Capital expenditure (net of advances) contracted for at the end of the reporting period but not recognised as liabilities is as follows: | | |
| Property, Plant and Equipment | **20,30.53** | 62,62.12 |

## 46 B Disclosures as required under Ind AS 116;

**As a Lessee**

| (a) Amounts recognised in balance sheet | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Right-of-use asset (Refer Note 3A)** | **80,03.09** | 50,86.69 |
| Opening Lease Liabilities | 33,82.31 | 12,94.00 |
| Addition during year | 40,40.79 | 27,21.87 |
| Interest cost accrued during the year | 4,68.13 | 2,15.34 |
| Payment of lease liabilities | (13,66.42) | (8,48.90) |
| Reversal/Adjustment of lease liabilities | (70.48) | - |
| **Closing Lease Liabilities** | **64,54.34** | 33,82.31 |
| Current Lease Liabilities | 10,43.49 | 8,32.14 |
| Non-current Lease Liabilities | 54,10.85 | 25,50.17 |
| **Total Lease Liabilities** | **64,54.34** | 33,82.31 |

| (b) Amount recognized in the Statement of Profit and Loss | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Depreciation for the year | 11,76.73 | 7,77.62 |
| Interest cost accrued during the year | 4,68.13 | 2,15.34 |
| Expenses related to short term leases/low value assets | 6,99.98 | 8,01.37 |
| **Total** | **23,44.84** | 17,94.33 |
| **(c) Total Cash outflows from leases during the year** | **20,66.40** | 16,50.27 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

## 47 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) Digital 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.

| | **March 31, 2024** | March 31, 2023 |
|---|---|---|
| **(b) Segments results** | | |
| (a) Abrasives | **189,42.24** | 179,62.00 |
| (b) Ceramics & Plastics | **207,45.29** | 228,18.00 |
| (c) Digital Services | **61,38.90** | 40,50.00 |
| (d) Others | **10,00.52** | 12,65.00 |
| | **468,26.96** | 460,95.00 |
| Reconciliation of Segments results to Profit before Income Tax is as follows: | | |
| **Total segment result** | **468,26.96** | 460,95.00 |
| Finance costs | **(7,76.00)** | (7,80.08) |
| Interest income from investments | **15,73.71** | 9,57.02 |
| Unallocated other Income | **32,08.81** | 23,17.65 |
| **Profit before income tax** | **508,33.48** | 485,89.59 |

**(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, 2024** | | | March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | **Total segment revenue** | **Inter-segment revenue** | **Revenue from external customers** | Total segment revenue | Inter-segment revenue | Revenue from external customers |
| (a) Abrasives | **1,358,31.89** | | **1,358,31.89** | 1,275,05.67 | - | 1,275,05.67 |
| (b) Ceramics & Plastics | **1,101,81.37** | **16,37.69** | **1,085,43.68** | 1,058,38.49 | 23,26.98 | 1,035,11.51 |
| (c) Digital Services | **188,92.32** | | **188,92.32** | 165,85.57 | - | 165,85.57 |
| (d) Others | **54,08.73** | | **54,08.73** | 65,31.49 | - | 65,31.49 |
| **Total segment revenue** | **2,703,14.30** | **16,37.69** | **2,686,76.62** | 2,564,61.22 | 23,26.98 | 2,541,34.24 |

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, 2024

*(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, 2024 | March 31, 2023 |
|---|---|---|
| (a) Abrasives | **793,71.19** | 701,53.69 |
| (b) Ceramics & Plastics | **856,94.25** | 692,42.00 |
| (c) Digital Services | **80,47.00** | 79,21.50 |
| (d) Others | **51,91.37** | 35,23.00 |
| **Total segment assets** | **1,783,03.81** | 1,508,40.19 |
| Unallocated: | | |
| Investments and bank balances | **916,39.21** | 816,41.29 |
| Others | **70,19.28** | 85,08.15 |
| **Total assets as per the balance sheet** | **2,769,62.30** | 2,409,89.63 |

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, 2024 | March 31, 2023 |
|---|---|---|
| (a) Abrasives | **281,60.12** | 197,24.06 |
| (b) Ceramics & Plastics | **273,88.93** | 255,59.00 |
| (c) Digital Services | **70,58.00** | 64,96.24 |
| (d) Others | **21,19.58** | 22,30.00 |
| **Total segment liabilities** | **647,26.63** | 540,09.30 |
| Unallocated: | | |
| Deferred tax liabilities | **22,09.90** | 13,85.28 |
| Current tax liabilities | **7,90.04** | 25,10.50 |
| Others | **25,57.90** | 13,96.16 |
| **Total liabilities as per the balance sheet** | **702,84.47** | 593,01.24 |

**(f) Information about Geographical Segments**

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

| **Net Sales & Service Income** | March 31, 2024 | March 31, 2023 |
|---|---|---|
| India | **2,243,50.10** | 2,088,14.29 |
| Outside India | **443,26.52** | 453,19.95 |
| | **2,686,76.62** | 2,541,34.24 |

(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:

| **Non-Current Asset** | March 31, 2024 | March 31, 2023 |
|---|---|---|
| India | **882,20.10** | 733,64.28 |
| Outside India | **25,13.44** | 22,06.87 |
| | **907,33.54** | 755,71.15 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

## 48 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, 2024** | March 31, 2023 |
|---|---|---|
| | **Number of options** | Number of options |
| Opening balance | **26,350** | 29,605 |
| Granted during the year | **6,035** | 6,425 |
| Exercised during the year | **(7,775)** | (8,664) |
| Forfeited during the year | **(625)** | (1,016) |
| **Closing balance** | **23,985** | 26,350 |

### (b) Expense arising from share based payment transaction

| | **March 31, 2024** | March 31, 2023 |
|---|---|---|
| Performance Share Plan | **1,63.73** | 1,38.73 |
| **Total** | **1,63.73** | 1,38.73 |

## 49 RELATED PARTY TRANSACTIONS (AS PER IND AS 24 RELATED PARTY DISCLOSURES)

**Relationships:**

### (i) HOLDING COMPANY :

Compagnie De Saint-Gobain, France

### (ii) FELLOW SUBSIDIARIES

Certainteed Corporation, USA
Saint-Gobain Services Construction Products Gmbh, Germany
L.M.Van Moppes Diamond Tools India Pvt. Ltd., India
Saint-Gobain Abrasives Brownsville
Pt. Saint-Gobain Abrasives Diamas, Indonesia
Saint-Gobain Performance Plastics Corporation, USA
Saint-Gobain Ceramics & Plastics, Inc, USA
Saint-Gobain Abrasives (Suzhou) Co., Ltd, China
Saint-Gobain Abrasives BV, Netherlands
Saint-Gobain Abrasives Gmbh, Germany
Saint-Gobain Achats, France
Saint-Gobain Adfors, France
SG Ceramic Materials AS, Norway
Saint-Gobain Corporation, France
Saint-Gobain Dsi Groupe, France
Saint Gobain America, S.A. De C.V., Mexico
Saint-Gobain Building Distribution Deutschland Gmbh, Germany
Saint-Gobain Ceramic Materials (Zhengzhou) Co. Ltd, China
Saint-Gobain Colombia SAS, Colombia
Saint-Gobain Diamantwerkzeuge Gmbh, Germany
Saint-Gobain Distribution Bâtiment France S.A.S., France
Saint-Gobain Distribution Denmark, Denmark
Saint-Gobain Do Brasil Produtos Industriais E Para Construção Ltda, Brazil
Saint-Gobain Glass Egypte S.A.E., Egypt
Saint-Gobain HPM Polska sp.z o.o, Poland
Saint-Gobain Industrial Ceramics Pty Ltd, Australia
SG Industrial Ceramics Ltd, UK
Saint-Gobain Industriekeramik Rodental Gmbh, Germany
Saint-Gobain K.K., Japan
Saint-Gobain Materiales Ceramicos,Venezuela

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

Saint-Gobain Glass, France
Saint-Gobain India Private Limited, India
Saint-Gobain Innovative Materials Belgium, Belgium
Saint-Gobain Solar Gard, LLC, USA
Saint-Gobain Norpro, USA
Saint-Gobain International Digital-It Services, France
Saint-Gobain Glass Deutschland Gmbh, Germany
Saint-Gobain (sea) Pte. Ltd., Philippines
Saint-Gobain Abrasifs, UAE
Saint-Gobain Abrasifs S.A. (Maroc), Morocco
Saint-Gobain Abrasifs, France
Saint-Gobain Abrasives Limited, New Zealand
Saint-Gobain Abrasives (Pty.) Ltd., South Africa
Saint-Gobain Abrasives (Thailand) Ltd.,Thailand
Saint-Gobain Abrasives Ltd, UK
Saint-Gobain Abrasives Limited, England
ST-Gobain Abrasives Pty. Ltd., Australia
Saint-Gobain Abrasives S.A., Luxembourg
Saint-Gobain Abrasives (Shanghai) Co Ltd, China
Saint-Gobain Abrasives, Inc., USA
Saint-Gobain Abrasivi SPA, Italy
Saint-Gobain Abrasivos LDA. - (Portugal), Portugal
Saint-Gobain Abrasivos S.A.(ESPAÑA), Spain
Saint-Gobain Advanced Ceramics(Shanghai) Co Ltd, China
Saint-Gobain Gyproc Emirates Industries LLC, UAE
Saint-Gobain Adfors Cz S.R.O., Czech Republic
Saint-Gobain Solar Gard Australia Pty. Ltd.
Saint-Gobain Advanced Materials (Taiwan) Co Ltd
Saint-Gobain Rigips Alci Sanayi Ve Ticaret Anonim Sirketi, Turkey
Sanitas Troesch Ag, Switzerland
Saint-Gobain Performance Plastics Mg Silikon Gmbh, Germany
Compania Industrial El Volcan S.A
Xuancheng Huiken Import and Export Co.  Ltd
Joinleader (Hk) New Materials Co.Limited
Saint-Gobain Construction Products South Africa (Pty) Ltd
Saint-Gobain Glass Qingdao Co., Ltd.
Saint-Gobain Gyproc Middle East FZE
Saint-Gobain Hycomp LLC
Saint-Gobain Performance Plastics Tygaflor Ltd
Saint-Gobain Placo
Saint-Gobain Performance Plastics France
Saint-Gobain Niagra Falls, USA
Saint-Gobain Materiaux Ceramiques, France
Saint-Gobain Nordic A/S, Denmark
Saint-Gobain Pipes, France
Saint-Gobain Performance Plastics (Shanghai) Co Ltd, China
Saint-Gobain Sekurit India Ltd, India
Saint-Gobain Sekurit (Thailand) Co Lt, Thailand
H.K.O. Isolier-Und Textiltechnik Gmbh, Germany
Saint-Gobain Proppants (Guanghan) Co., Ltd
Saint-Gobain Inovatif Malzemeler Ve Asindirici Sanayi Ticaret Anonim Sirketi, Turkey
Saint-Gobain Technical Fabrics, S.A. De, Mexico
Saint-Gobain Vietnam Ltd.,Vietnam
Savoie Refractaires, France
Societe Europeenne Des Produits Refractaires - S.E.P.R., France
Saint-Gobain Consulting Information and Organisation, France
Saint-Gobain Distribuição Brasil Ltda, Brazil
Saint-Gobain Info Sys Gmbh, Germany
Saint-Gobain Isover, France
Saint-Gobain Materiaux Ceramiques, Belgium
Saint-Gobain Performance Plastics Corby, UK
Saint-Gobain Performance Plastics Korea Co Ltd, Korea
Saint-Gobain Performance Plastics Pampus Gmbh, Germany
Saint-Gobain Performance Plastics Ireland, Ireland
Saint-Gobain Performance Plastics Rencol Limited, UK
Saint-Gobain Technology Services, France
Thai Gypsum Products PCI, Thailand
Saint-Gobain Centre De Recherche Et D'Etudes Europeen, France
Saint-Gobain Abrasivos Limitada, Chile
Saint-Gobain Distribution The Netherlands BV, Netherlands
Saint-Gobain Adfors America, Inc, USA
Saint-Gobain Adfors Austria Gmbh, Austria
Toyoda Van Moppes Ltd
Saint-Gobain Performance Plastics L+S Gmbh, Germany
Hangzhou Join Leader New Materials Co, Ltd
Brodrene Dahl As Norway
Saint-Gobain Performance Plastics España S.A.
Industrias Del Cuarzo S.A.
Saint-Gobain Ceramics INC
Saint Gobain PCR
Saint Gobain Abrasives, Dubai
Saint Gobain Abrasives, Reynosa
Saint-Gobain Semiconductor Components
Saint-Gobain Adfors España S.A

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | |
|---|---|
| Saint-Gobain Construction Products Rus LLC | Saint-Gobain Malaysia SDN BHD |
| Saint-Gobain Glass UK Limited | Saint-Gobain Industries India Pvt Ltd. |
| Saint-Gobain Distribucion Construccion S.L. | Saint-Gobain Advanced Ceramics,LLC |
| Saint-Gobain Life Sciences - Beaver | Saint Gobain Sangdo Plant |
| SG Abrasivi DC Vercelli | Saint-Gobain Life Sciences Ireland Ltd |
| Saint-Gobain Performance Plastics Portag | Saint-Gobain Construction Products South Africa (Pty) Ltd |
| Saint-Gobain Abrasifs(Deplanque) | Saint-Gobain Research North America |
| American Seal And Engineering | Saint-Gobain Zirpro (Handan) Co Ltd |
| British Industria E Comercio Ltda | SG Distribution Nordic Ab |
| Choksey Chemicals Private Limited | SG PPC SAC - Gypsum Peru |
| Dalsan Alçi Sanayi Ve Ticaret A.S | SGCP - PCR - Niagara Falls |
| Eurofloat | SGIMB PPL Kontich - Enc |
| Farecla Products Ltd. | SGTWO AG |
| Jtekt Grinding Tools Corporation | Societe De Participations Financieres Et Industrielles |
| Ms Techniques | Starcin Holding France |
| Pt. Saint Gobain Trading Indonesia | Valoref - Bollene |
| Pt. Saint-Gobain Performance Plastics Indonesia | Saint-Gobain Abrasives (Handan) Co. Ltd |
| Saint Gobain Abrasives Ab | Saint-Gobain Abrasivos Y Adhesivos Ecuador |
| Saint Gobain Abrasivi Spa | Saint-Gobain Cree |
| Saint Gobain Merit S De Rl De Cv | Saint-Gobain Group Digital & It International |
| Saint-Gobain K.K. | Saint-Gobain Mèxico, S.A. De C.V |
| Saint-Gobain (Singapore) Pte Ltd | Saint-Gobain Omniseal Solutions Italia S.R.L. |
| Saint-Gobain Performance Plastics (Hangzhou) Co., Ltd | Saint-Gobain Performance Plastic H-Old S.P.A. |
| Saint-Gobain Performance Plastics Kontich | Saint-Gobain Performance Plastics Isofluor Gmbh |

**(iii) OTHER RELATED PARTIES:**

Grindwell Norton Ltd Employees Group Gratuity Life Assurance Scheme
Grindwell Norton Ltd Employees Superannuation Scheme
Saint Gobain India Foundation

**(iv) JOINT VENTURE:**

SG Shinagawa Refractories India Private Limited (upto November 30, 2023)
Advanced Synthetic Minerals Private Limited (w.e.f January 24, 2024)

**(v) ASSOCIATE:**

Cleanwin Energy Three LLP

**(vi) KEY MANAGEMENT PERSONNEL**

Mr. Keki Elavia, Independent Director
Dr. Archana Hingorani, Independent Director
Mr. Subodh Nadkarni, Independent Director
Mr. Krishna Prasad, Whole time Director
Mr. B. Santhanam, Managing Director
Mr. Sreedhar Natarajan, Non-Executive Director
Mr. Jean-Claude Lasserre, Non-Executive Director (w.e.f May 24, 2023)
Mr. David Eric Molho, Non-Executive Director
Mr. Aakil Mahajan, Non-Executive Director (w.e.f July 30, 2022)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**(vii) (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, 2024** | March 31, 2023 |
| Compagnie de Saint-Gobain | Ultimate Holding Co* | Tour Saint-Gobain - 12 place de l'Iris, 920,96 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 150,08 Worcester MA 016,15 USA | **26.77%** | 26.77% |
| Societe de Participations Financieres et Industrielles | Fellow Subsidiary | Tour Saint-Gobain - 12 place de l'Iris, 920,96 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 6000,08 | **0.27%** | 0.27% |

**(b) Joint Venture**

| Name of entity | Type | Place of business | Ownership interest held by the Group | |
|---|---|---|---|---|
| | | | **March 31, 2024** | March 31, 2023 |
| SG Shinagawa Refractories India Private Limited | Joint Venture | No-16,09,16th Floor, Shapath-V, Opp Karnawati Club,Sarkhej Gandhinagar, Highway, Ahmedabad, Gujarat, India, 38,00,15 | **-** | 49% |
| Advanced Synthetic Minerals Private Limited | Joint Venture | L.S. No-5,04,Paddhar Ratnal Road Bhuj, Kutch Padhar Bhuj Kachchh Gujarat, India, 37,01,05 | **49%** | - |

**(c) Associate**

| Name of entity | Type | Place of business | Ownership interest held by the Group | |
|---|---|---|---|---|
| | | | **March 31, 2024** | March 31, 2023 |
| Cleanwin Energy Three LLP | Associate | 1, Floor-G, plot no 68, Shirin manzil,Nathalal parikh Marg,Colaba, Mumbai - 4000,05 | **27.27%** | 27.27% |

**(d) Key Management Personnel Compensation**

| | **March 31, 2024** | March 31, 2023 |
|---|---|---|
| Short-term employee benefits | **6,09.87** | 5,70.70 |
| Post-employment benefits | **12.53** | 10.89 |
| Sitting Fees | **25.50** | 20.20 |
| Commission | **1,00.00** | 1,00.00 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**(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 | | Associate | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **March 31, 2024** | March 31, 2023 | **March 31, 2024** | March 31, 2023 | **March 31, 2024** | March 31, 2023 | **March 31, 2024** | March 31, 2023 | **March 31, 2024** | March 31, 2023 |
| 1 | Sales | **-** | - | **121,50.23** | 172,99.54 | **-** | - | **19,38.95** | 21,93.29 | **-** | - |
| 2 | Agency Commission received | **-** | - | **1,04.42** | 1,79.09 | **-** | - | **1,05.03** | 1,06.56 | **-** | - |
| 3 | Service Income | **37.34** | 1,95.91 | **194,46.58** | 169,83.94 | **-** | - | **-** | - | **-** | - |
| 4 | Other Income | **-** | - | **11,12.74** | 9,26.30 | **-** | - | **-** | - | **-** | - |
| 5 | Dividend Income | **-** | - | **9,40.52** | 6,27.02 | **-** | - | **-** | - | **-** | - |
| 6 | Expenses incurred on behalf of group companies | **0.10** | - | **26,32.48** | 28,01.07 | **-** | - | **12.96** | 56.35 | **-** | - |
| 7 | Expenses charged by other group companies | **76.18** | 44.96 | **37,95.11** | 40,22.21 | **-** | - | **-** | - | **-** | - |
| 8 | Purchase of Goods | **-** | - | **271,50.97** | 250,52.21 | **-** | - | **-** | - | **1,12.82** | 34.69 |
| 9 | Royalty Paid | **-** | - | **44,40.25** | 41,78.15 | **-** | - | **-** | - | **-** | - |
| 10 | Dividend Paid | **-** | - | **82,83.56** | 68,55.36 | **-** | - | **-** | - | **-** | - |
| 11 | Donation Paid | **-** | - | **-** | 5,77.32 | **-** | - | **-** | - | **-** | - |
| 12 | Contribution to Post employment benefit plans | **-** | - | **-** | - | **12,04.58** | 3,48.96 | **-** | - | **-** | - |
| 13 | Trade Receivables* | **1.31** | 35.85 | **54,95.65** | 59,88.85 | **-** | - | **-** | 5,68.99 | **-** | - |
| 14 | Other Receivables* | **-** | - | **3,93.50** | 2,01.11 | **-** | - | **-** | - | **-** | - |
| 15 | Advances to Suppliers* | **-** | - | **3,83.72** | 28.54 | **-** | - | **23.27** | - | **-** | - |
| 16 | Trade Payables* | **-** | 7.00 | **88,60.83** | 70,28.74 | **-** | - | **-** | - | **1.50** | 26.69 |
| 17 | Advance from Customers* | **-** | - | **5,70.88** | 7,79.86 | **-** | - | **-** | - | **-** | - |

* 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) 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. The average interest rate on the other loans during the year was 10% (March 31, 2023 – 10%).

(iv) All outstanding balances are unsecured and are repayable in cash.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**(h) 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, 2024 | March 31, 2023 |
|---|---|---|---|---|
| 1 | **Sale of Goods** | Saint-Gobain Gyproc Middle East Fze | **19,69.36** | 46,35.21 |
| | | Saint-Gobain Performance Plastics France | **1,44.08** | 35,84.24 |
| | | Saint-Gobain Performance Plastics Corporation | **2,31.39** | 4,37.53 |
| | | Saint-Gobain Performance Plastics (Shanghai) Co. Ltd. | **27.84** | 98.67 |
| 2 | **Service Income** | Saint-Gobain Abrasives Inc | **30,06.23** | 14,90.07 |
| | | SAINT-GOBAIN GROUP DIGITAL & IT INTERNATIONAL | **156,37.43** | 115,97.49 |
| 3 | **Purchase of Goods** | Saint-Gobain Performance Plastics Corporation | **35,43.61** | 41,04.37 |
| | | Saint-Gobain Ceramic Materials Bhutan Private Limited | **17,86.52** | 32,07.25 |
| | | Saint-Gobain Performance Plastics France | **55.19** | 14,83.66 |
| | | Saint-Gobain Do Brasil Produtos Industriais E Para Construção Ltda, Brazil | **63.59** | 11,22.32 |
| 4 | **Royalty Paid** | Saint-Gobain K.K. | **26,93.31** | - |
| 5 | **Expenses incurred on behalf of group companies** | Saint-Gobain Abrasives Inc., USA | **31,18.98** | 28,52.83 |
| 6 | **Dividend Paid** | Saint-Gobain India Private Limited, India | **24,67.96** | 25,33.28 |
| | | Saint-Gobain Abrasives Inc., USA | **42,97.15** | 35,56.26 |
| | | Societe de Participations Financieres et Industrielles | **39,42.91** | 32,63.10 |

## 50 INTEREST IN OTHER ENTITIES

### (a) Subsidiaries

The details of Company's Subsidiaries as at March 31, 2024 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, 2024** | March 31, 2023 | **March 31, 2024** | March 31, 2023 | |
| 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, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**(b)** Summarised financial information in respect of each of the Group's subsidiaries is set out below. The information below represents amounts before intragroup eliminations.

| | Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd. | |
|---|---|---|
| | **March 31, 2024** | March 31, 2023 |
| **Summarised Balance Sheet** | | |
| Current Assets | **17,77.87** | 30,13.86 |
| Current Liabilities | **8,05.85** | 18,03.47 |
| Net Current Assets | **9,72.02** | 12,10.39 |
| Non-current assets | **29,35.52** | 26,23.59 |
| Non-current liabilities | **83.19** | 1,13.34 |
| Net Non-current Assets | **28,52.33** | 25,10.25 |
| Net Assets | **38,24.35** | 37,20.64 |
| Accumulated NCI | **11,50.36** | 11,07.51 |
| **Summarised Statement of Profit and Loss** | | |
| Revenue from operation | **53,17.67** | 49,64.81 |
| Other income | **0.02** | 6.19 |
| Profit/(Loss) for the year | **1,02.72** | (1,27.23) |
| Total comprehensive Profit/(Loss) for the year | **1,02.72** | (1,27.23) |
| Profit/(Loss) allocated to NCI | **30.82** | (38.17) |
| **Summarised cash flows** | | |
| Cash flows from operating activities | **1,90.54** | (1,48.36) |
| Cash flows from investing activities | **(3,82.36)** | (6,79.54) |
| Cash flows from financing activities | **(1,10.31)** | (46.15) |
| Net increase / (decrease) in cash and cash equivalents | **(3,02.13)** | (8,74.05) |

**(c) Joint Venture**

The details of Company's Joint Venture as at March 31, 2024 is set out below.

| Name of entity | Place of Business / Country of Incorporation | Ownership interest held by the Company | Accounting Method | Principal Activities | Carrying Amount | |
|---|---|---|---|---|---|---|
| | | | | | **March 31, 2024** | **March 31, 2023** |
| (I) Advanced Synthetic Minerals Private Limited | India | 49% | Equity Method | Manufacturer of high purity, synthetic minerals for refractory and other applications | **14,51.80** | - |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

Set out below is summarised Company's share in the Joint Venture (not considered significant)

| | **March 31, 2024** | March 31, 2023 |
|---|---|---|
| (a) profit or loss from continuing operations | **(98.36)** | - |
| (b) post-tax profit or loss from discontinued operations | **-** | - |
| (c) other comprehensive income | **-** | - |
| (d) total comprehensive income | **(98.36)** | - |

| **Name of entity** | **Place of Business / Country of Incorporation** | **Ownership interest held by the Company** | **Accounting Method** | **Principal Activities** | **Carrying Amount** | |
|---|---|---|---|---|---|---|
| | | | | | **March 31, 2024** | March 31, 2023 |
| (II) SG Shinagawa Refractories India Private Limited | India | 49% | Equity Method | Deals in all kinds of refractory and resistance products | **-** | 8,36.35 |

Set out below is summarised Company's share in the Joint Venture (not considered significant).

| | **March 31, 2024** | March 31, 2023 |
|---|---|---|
| (a) profit or loss from continuing operations (upto November 30, 2023) | **6.32** | (1,86.25) |
| (b) post-tax profit or loss from discontinued operations | **-** | - |
| (c) other comprehensive income | **-** | - |
| (d) total comprehensive income (upto November 30, 2023) | **6.32** | (1,86.25) |

**(d) Associate**

The details of Company's Associate as at March 31, 2024 is set out below.

| **Name of entity** | **Place of Business / Country of Incorporation** | **Ownership interest held by the Company** | **Accounting Method** | **Principal Activities** | **Carrying Amount** | |
|---|---|---|---|---|---|---|
| | | | | | **March 31, 2024** | March 31, 2023 |
| Cleanwin Energy Three LLP | India | 27.27% | Equity Method | Deals in all kinds of refractory and resistance products | **15.00** | 15.00 |

Set out below is summarised Company's share in the Joint Venture (not considered significant).

| | **March 31, 2024** | March 31, 2023 |
|---|---|---|
| (a) profit or loss from continuing operations | **-** | - |
| (b) post-tax profit or loss from discontinued operations | **-** | - |
| (c) other comprehensive income | **-** | - |
| (d) total comprehensive income | **-** | - |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

## 51 Business Combination - PRS Permacel Private Limited

The Company had acquired 100% equity shares of PRS Permacel Private Limited (PRS) for a consideration of ₹ 121,12.89 lakhs. Subsequently, pursuant to a Scheme of Amalgamation of PRS (“”the scheme””) with the Company, duly approved by the National Company Law Tribunal (NCLT), vide its order dated June 22, 2023, all the assets and liabilities of PRS at fair value were transferred to and vested in the Company with effect from May 27, 2022, being the appointed date. The excess of consideration paid over and above the fair value of the assets and liabilities taken over amounting to ₹ 46,29.86 lakhs have been accounted as Goodwill.

Pursuant to the approval of the Scheme of Amalgamation of PRS with the Company, being approved by the NCLT, the unaudited Financial Statements of PRS have been considered as part of the Standalone Financial Statements itself and not as a part of Consolidated Financial Statements.

## 52 Additional Information required by Schedule III

| Particulars | March 31, 2024 | | | | | | | | March 31, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | 99.24% | 2,051,04.60 | 99.16% | 380,71.69 | 100.16% | 24,88.01 | 99.22% | 405,59.70 | 103.43% | 1,879,17.61 | 101.21% | 365,91.13 | 100.94% | 6,87.96 | 101.21% | 372,79.09 |
| **II. Subsidiaries** | | | | | | | | | | | | | | | | |
| Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd. | 1.30% | 26,77.04 | 0.36% | 1,38.60 | -0.16% | (3.91) | 0.33% | 1,34.69 | 1.44% | 26,13.13 | -0.25% | (89.06) | -0.94% | (6.38) | -0.26% | (95.44) |
| Non Controlling Interest | 0.56% | 11,47.30 | -0.08% | (31.98) | - | - | -0.08% | (31.98) | 0.61% | 11,07.51 | -0.11% | (38.17) | - | - | -0.10% | (38.17) |
| **III. Joint ventures (Investment as per equity method)** | | | | | | | | | | | | | | | | |
| SG Shinagawa Refractories India Private Limited | - | - | 0.02% | 6.32 | - | - | 0.02% | 6.32 | 0.46% | 8,36.35 | -0.52% | (1,86.25) | - | - | -0.51% | (1,86.25) |
| Advanced Synthetic Minerals Private Limited | -0.02% | (48.20) | -0.13% | (48.20) | | | -0.12% | (48.20) | | | | | | | | |
| Inter-company Elimination & Consolidation Adjustments | -1.07% | (22,02.91) | 0.68% | 2,59.18 | - | - | 0.63% | 2,59.18 | -5.94% | (107,86.21) | -0.35% | (1,25.41) | - | - | -0.34% | (1,25.41) |
| **IV. Associates** | | | | | | | | | | | | | | | | |
| Cleanwin Energy Three LLP * | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | **100.00%** | **2,066,77.83** | **100.00%** | **383,95.61** | **100.00%** | **24,84.10** | **100.00%** | **408,79.71** | **100.00%** | **1,816,88.39** | **100.00%** | **361,52.24** | **100.00%** | **6,81.58** | **100.00%** | **368,33.82** |

*The Group is not entitled in share of profit/(loss).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

**53** The Subsidiary of the Company- Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd., has undistributed earnings of ₹ 9,24.92 lakhs ( March 31, 2023 - 8,21.22 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 forseeable future.

**54** Figures for the previous year have been re-grouped / reclassified wherever necessary, to confirm to current year's classification. The details for regrouping are as follows:

| Sr. No. | Regrouped to | Regrouped from | Amount | Reasons |
|---|---|---|---|---|
| 1 | Provisions- Current | Trade payables | 1,14.61 | For appropriate disclosures |
| 2 | Provisions - Non current | Trade payables | 18,38.15 | For appropriate disclosures |

**55** (a) There are no subsequent events that would require adjustments or disclosure in the financial statements as on the balance sheet date.

(b) 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 of Schedule III to Companies Act 2013, as relevant to Consolidated financial statements are either not applicable or there are no reportable matters.

(c) The Company is using accounting software for maintaining its books of account which have feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled, throughout the year as required by proviso to sub rule (1) of Rule 3 of The Companies (Accounts) Rules, 2014 known as the Companies (Accounts) Amendment Rules, 2021. However, the audit trail feature is not enabled for direct changes to data in the underlying database. There was no instance of audit trail feature being tampered with in respect of the accounting software.

Presently, privileged access to database of accounting software mentioned above continues to be restricted to limited set of users who necessarily require this access for maintenance and administration of the database.

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Cash flow from operating activities** | | |
| **Profit before tax** | **508,33.48** | 485,89.59 |
| **Adjustments for:** | | |
| Depreciation and amortisation expense | **70,88.07** | 60,14.56 |
| Loss/(Profit) on assets discarded/sold (net) | **1,13.47** | 3,48.79 |
| Gain on redemption of mutual funds | **(23,61.29)** | (19,21.98) |
| Unrealised (gain)/loss on foreign exchange | **21.41** | (58.34) |
| Dividend income | **(9,40.52)** | (6,27.42) |
| Interest Income | **(15,12.09)** | (9,19.97) |
| Finance Costs | **7,75.85** | 7,80.08 |
| Share based Payments | **1,63.73** | 1,38.73 |
| Changes in fair value on financial instruments | **(4,62.78)** | (1,51.91) |
| Share of (Profit)/Loss of Joint Ventures | **41.88** | 1,86.25 |
| Unwinding of discount on security deposits | **(37.14)** | (22.54) |
| Bad debts and Advances written off | **45.23** | 1,29.45 |
| Interest income from financial assets at amortised cost | **(24.48)** | (14.51) |
| Loss on investments sold | **35.25** | - |
| **Operating cash flows before working capital changes** | **537,80.08** | 524,70.78 |
| **Adjustments for:** | | |
| (Increase)/Decrease in trade receivables | **(77,31.61)** | (44,87.58) |
| (Increase)/Decrease in inventories | **(23,66.19)** | (16,33.23) |
| (Increase)/Decrease in loans | **(1,66.59)** | (2,68.98) |
| (Increase)/Decrease in other financial asset | **(10,19.15)** | 1,50.21 |
| (Increase)/Decrease in other non-financial asset | **(8.08)** | 48.11 |
| (Increase)/Decrease in other current asset | **4,94.94** | 19,12.40 |
| Increase/(Decrease) in trade payables | **82,53.45** | (47,64.10) |
| Increase/(Decrease) in provisions | **8,46.00** | 24,61.37 |
| Increase/(Decrease) in other non-current liabilities | **(10.99)** | (14.03) |
| Increase/(Decrease) in other current liabilities | **(6,29.96)** | 10,87.97 |
| Increase/(Decrease) in other financial liabilities | **(9,04.78)** | 46,19.52 |
| **Cash generated from operations** | **505,37.13** | 515,82.43 |
| Income taxes paid (net of refunds) | **(137,43.44)** | (123,22.92) |
| **Net cash inflow generated from operating activities** | **367,93.69** | 392,59.50 |
| **Cash flows from investing activities** | | |
| Payments towards purchase of property, plant and equipment and intangible assets | **(172,36.98)** | (321,55.59) |
| Proceeds from sale of property, plant and equipment | **3,36.31** | 81.95 |
| Payments towards investment in mutual funds | **(2,208,60.88)** | (197,13.63) |
| Proceeds from sale of of mutual funds | **2,224,82.14** | 112,90.03 |
| Payment towards investment in Joint Venture | **(15,00.00)** | - |

SAINT-GOBAIN

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Proceeds from sale of investment in Joint Venture | **8,07.42** | - |
| Proceeds/(Investment) from/in maturity of Bank Deposit with maturity of more than 3 months (net) | **(43,20.58)** | 130,08.28 |
| Dividend received | **9,40.52** | 6,27.42 |
| Interest received | **11,84.42** | 8,56.87 |
| **Net cash (outflow) from investing activities** | **(181,67.63)** | (260,04.68) |
| **Cash flows from financing activities** | | |
| Interest paid on other than lease liabilities | **(3,07.72)** | (5,64.74) |
| Proceeds from borrowings | **8,00.93** | 11,80.73 |
| Repayment of borrowings | **(5,59.92)** | (5,00.89) |
| Dividend paid | **(160,54.00)** | (132,86.40) |
| Principal payment of lease liabilities | **(8,98.29)** | (6,33.56) |
| Interest paid on lease liabilities | **(4,68.13)** | (2,15.34) |
| **Net cash (outflow) from financing activities** | **(174,87.13)** | (140,20.20) |
| **Net increase/(decrease) in cash and cash equivalents** | **11,38.92** | (7,65.37) |
| Add : Additions pursuant to merger | **-** | 27.70 |
| Less : Bank overdraft at the beginning of the year | **(8,58.96)** | - |
| Add : Cash and cash equivalents at the beginning of the financial year (Refer note 14) | **39,61.36** | 38,40.07 |
| Add : Bank overdraft at the end of the year | **6,69.11** | 8,58.96 |
| **Cash and cash equivalents at end of the year as reported in balance sheet (Refer note 14)** | **49,10.43** | 39,61.36 |

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 Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No. 104607W / W100166

Daraius Z. Fraser
Partner
Membership No. 042454

Mumbai : May 6, 2024

Keki M. Elavia — Chairman — DIN 00003940

B. Santhanam — Managing Director — DIN 00494806

Hari Singudasu — Chief Financial Officer

K. Visweswaran — Company Secretary

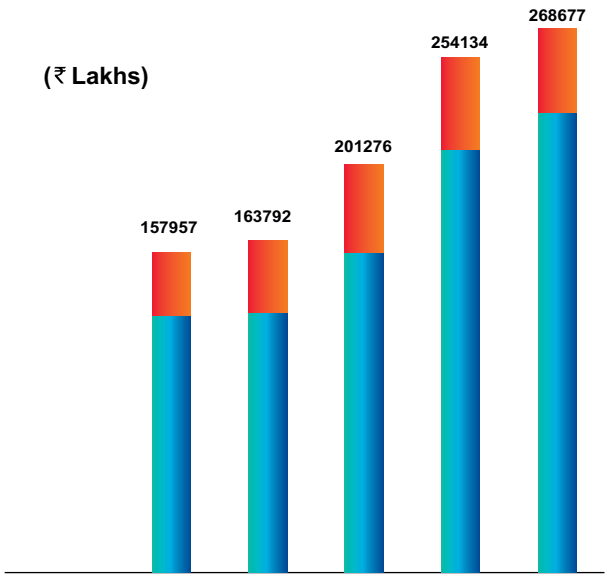
Mumbai : May 6, 2024

# Notes

# Notes

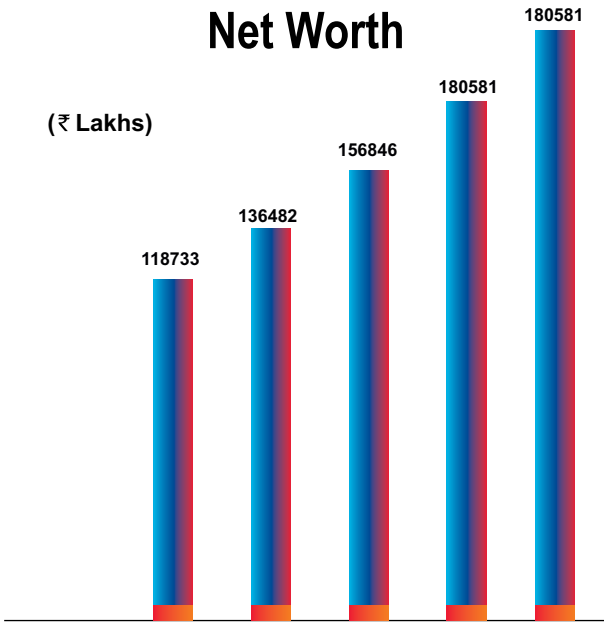
# FINANCIAL PERFORMANCE

## Revenue from Operations (Net)



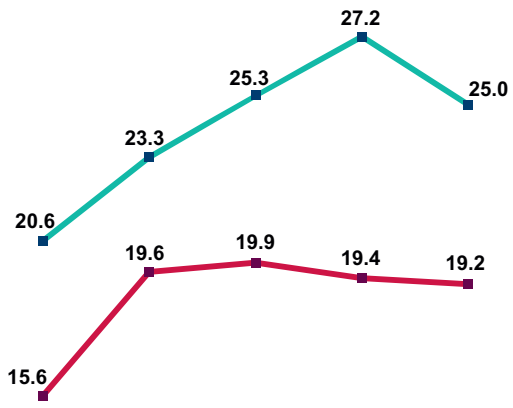

| Year | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Export | 30948 | 35343 | 43435 | 45319 | 41533 |
| Domestic | 127009 | 128449 | 157841 | 208815 | 227144 |

## Net Worth




| Year | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Equity | 5536 | 5536 | 5536 | 5536 | 5536 |
| Reserves* | 113197 | 130946 | 151310 | 175045 | 199993 |

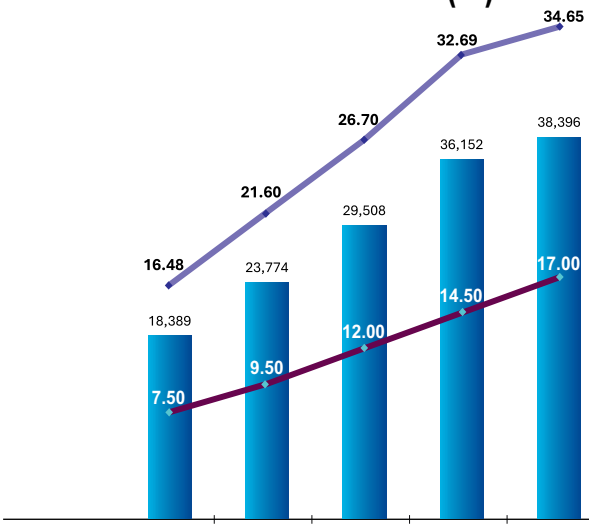
## Profit Margin (%), ROCE (%) & Asset Turnover




| Year | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Asset Turnover | 1.32 | 1.19 | 1.27 | 1.40 | 1.30 |

Profit Margin ROCE

## Profit After Tax, Earning Per Share (₹) & Dividend Per Share (₹)#




| Year | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|

Profit After Tax (₹in Lakhs) Earning Per Share (₹) Dividend Per Share (₹)

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

* Excluding Revaluation Reserve

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