NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

NOTE: 1

1.1 CORPORATE INFORMATION

Grindwell Norton Limited ('the Company') is a limited company incorporated on July 31, 1950 and domiciled in India. Its shares are publicly traded and has its registered office at 5th Level, Leela Business Park, Andheri Kurla Road, Marol, Andheri (East), Mumbai – 400 059. The Company is one of the subsidiary of Compagnie de Saint – Gobain ("Saint-Gobain"), a transnational group with its headquarters in Paris. The Company's businesses are a part of the High Performance Materials sector. In the Company, the businesses are divided into two major segments:

1. Abrasives; and
2. Ceramics and Plastics

The financial statements of the Company for the year ended March 31, 2018 were authorized for issue in accordance with a resolution of the Board of Directors on May 30, 2018.

1.2 BASIS OF PREPARATION

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), [Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act as applicable.

(ii) Historical cost convention

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

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

(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.

1.3 SIGNIFICANT ACCOUNTING POLICIES

A. Property, plant and equipment

(i) Recognition and measurement:

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

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the Statement of Profit and Loss.

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(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 & Networks and Specific Kilns. The depreciation on which has been provided based on the technical specifications, external & internal assessment, requirement of refurbishments and past experience of the remaining 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

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

B. Intangible assets

(i) Recognition and measurement:

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

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(ii) Amortisation :

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

(i) Computer Software	:	3 to 5 years
(ii) Other Intangibles	:	10 years

C. Impairment of Assets

(i) Financial assets

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

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

(b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

(ii) Non-financial assets

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

D. Inventories

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

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

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

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

E. Investments and other financial assets

(i) Classification

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in 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 or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(a) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from lease financial assets is included in finance income using the effective interest method.

(b) Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method.

(c) Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments

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

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

(iii) Derecognition

A financial asset is derecognised only when,

(a) The Company has transferred the rights to receive cash flows from the financial asset or

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

F. Cash and cash equivalents

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

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, loans and borrowings including bank overdrafts, and derivative financial instruments.

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

(ii) Derecognition

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

H. Foreign currency translation

(i) Functional and presentation currency:

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

(ii) Transactions and balances

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

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

I. Forward contracts

Forward 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 accounting for subsequent changes in fair value is routed through statement of profit and loss.

J. Revenue recognition

(i) Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and value added tax/goods and service tax and inclusive of excise duty. Revenue is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contracts and no significant uncertainty exist regarding the amount of the consideration that will be derived from the sale of the goods.

(ii) Service income

Service Income is recognised when the service is rendered, in accordance with the terms of the agreements/ arrangements with parties.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(iii) Dividend

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

(iv) Interest Income

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

(v) Other income

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

K. Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

(iii) 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, superannuation fund and ESIC

Defined benefit plan - Gratuity obligations

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

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

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

Defined contribution plans

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

(iv) Share-based payments

Certain employees are given stock option plans of Ultimate Holding Company. The cost of stock option plans is calculated 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 equity.

(v) Termination benefits

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

L. Borrowing Costs

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

M. Research & Development

Revenue expenditure on Research & Development is charged under respective heads of account. Capital Expenditure on Research and Development is included as part of the relevant Fixed Assets.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

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

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

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.

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 (i) above are disclosed in notes forming part of the Financial Statements

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

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

P. Earnings per share

(i) Basic earnings per share

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

(ii) Diluted earnings per share

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

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

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

S. Leases

As a lessee

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

T. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

U. 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 counter party.

V. Rounding off amounts

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

NOTE: 2

2.1 USE OF JUDGMENTS, ESTIMATE AND ASSUMPTIONS

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

Judgment, estimates and assumptions are required in particular for:

a) Determination of the estimated useful lives of tangible assets

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

b) Recognition and measurement of defined benefit obligations

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

c) Recognition of deferred tax assets

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised.

d) Discounting of long-term financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial assets / liabilities which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

e) Fair valuation of employee share options

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model.

f) Measurement of Fair valuation of financial instruments

(i) Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective bankers.

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

g) Impairment of financial assets

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

h) Sales Incentive Schemes and Turnover discounts

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

2.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE:

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The Rules shall be effective from reporting periods beginning on or after April 1, 2018. Amendments to Ind AS as per these rules are mentioned below:

(i) Ind AS 115 - Revenue from contracts with customers

Ind AS 115 replaces Ind AS 18 which covers contracts for goods and services and Ind AS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

It establishes a five-step model to account for revenue arising from contracts with customer. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company is in the process of analysing the impact of the new standard. This standard will come into force from accounting period commencing on or after April 01, 2018.

(ii) Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration

The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt.

The management is in process of assessing the impact of above amendment, though it is expected that impact from the amendment would not be significant. The Company intends to adopt the amendments prospectively from April 1, 2018.

(iii) Ind AS 12 - Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. The Company shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8.

The management is in process of assessing the impact of above amendment, though it is expected that impact from the amendment would not be significant. The Company will adopt the amendments from April 1, 2018.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

	Land - Freehold	Land - Leasehold	Buildings *	Leasehold Improvements	Plant & Equipment	Electrical Installations & Equipments	Laboratory Equipments	Computers	Furniture & Fixtures	Office Equipments	Vehicles	Total
Gross carrying amount:												
As at March 31, 2016	19,01.35	78.41	104,60.78	5,44.37	206,92.07	36.35	86.25	5,34.82	6,56.24	3,03.28	1,47.66	354,41.58
Additions	-	-	9,93.80	4,65.23	34,25.87	1,93.10	27.18	3,08.30	2,17.39	1,54.47	54.12	58,39.46
Deductions	-	-	(0.02)	-	(39.67)	-	-	-	(0.12)	(0.43)	-	(40.24)
As at March 31, 2017	19,01.35	78.41	114,54.56	10,09.60	240,78.27	2,29.45	1,13.43	8,43.12	8,73.51	4,57.32	2,01.78	412,40.80
Additions	-	-	4,21.98	-	10,73.52	12.72	38.53	2,23.62	63.59	32.85	-	18,66.81
Deductions	-	-	-	-	(1,87.97)	-	-	(2.00)	(0.20)	(0.21)	(2.12)	(1,92.50)
Adjustments for classifications	-	-	(63.52)	(2.62)	(3.15)	-	-	(8.24)	57.65	21.23	(1.35)	-
As at March 31, 2018	**19,01.35**	**78.41**	**118,13.02**	**10,06.98**	**249,60.67**	**2,42.17**	**1,51.96**	**10,56.50**	**9,94.55**	**5,11.19**	**1,98.31**	**429,15.11**
Accumulated Depreciation:												
As at March 31, 2016	-	0.97	4,14.64	43.61	25,65.85	2.63	6.12	1,88.08	1,48.03	1,13.99	26.23	35,10.15
Depreciation for 2016-17	-	0.92	4,39.01	1,47.19	27,32.70	9.41	10.33	2,18.54	1,54.66	89.38	27.03	38,29.17
On Deductions	-	-	-	-	(9.72)	-	-	-	(0.10)	(0.40)	-	(10.22)
As at March 31, 2017	-	1.89	8,53.65	1,90.80	52,88.83	12.04	16.45	4,06.62	3,02.59	2,02.97	53.26	73,29.10
Depreciation for 2017-18	-	0.97	4,62.09	1,29.72	29,93.56	24.12	12.74	2,54.75	1,29.71	95.33	25.86	41,28.85
On Deductions	-	-	-	-	(67.55)	-	-	(0.19)	(0.07)	(0.20)	(2.10)	(70.11)
Adjustments for classifications	-	0.06	(0.55)	0.07	0.54	(0.58)	-	1.57	2.27	(2.02)	(1.36)	-
As at March 31, 2018	**-**	**2.92**	**13,15.19**	**3,20.59**	**82,15.38**	**35.58**	**29.19**	**6,62.75**	**4,34.50**	**2,96.08**	**75.66**	**113,87.84**
Net Carrying amount:												
As at March 31, 2017	19,01.35	76.52	10,600.91	8,18.80	187,89.44	2,17.41	96.98	4,36.50	5,70.92	2,54.35	1,48.52	339,11.70
As at March 31, 2018	**19,01.35**	**75.49**	**10,497.83**	**6,86.39**	**167,45.29**	**2,06.59**	**1,22.77**	**3,93.75**	**5,60.05**	**2,15.11**	**1,22.65**	**315,27.27**

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

CAPITAL WORK-IN-PROGRESS

March 31, 2017	5,55.99
March 31, 2018	**23,42.80**

4 INTANGIBLE ASSETS

	Computer Software	Trade Marks	Non-Compete Fees & Marketing Network	Total	Goodwill
Gross carrying amount:					
As at March 31, 2016	2,76.90	23.97	1,17.87	4,18.74	48.80
Additions	85.88	-	-	85.88	-
Deductions	-	-	-	-	-
As at March 31, 2017	3,62.78	23.97	1,17.87	5,,04.62	48.80
Additions	5.87	-	-	5.87	-
Deductions	-	-	-	-	-
Adjustments for classifications	(0.03)	-	0.03	-	-
As at March 31, 2018	**3,68.62**	**23.97**	**1,17.90**	**5,10.49**	**48.80**
Accumulated Amortization:					
As at March 31, 2016	89.42	-	78.83	1,68.25	-
Amortization for 2016-17	1,14.71	-	39.04	1,53.75	-
On Deductions	-	-	-	-	-
As at March 31, 2017	2,04.13	-	1,17.87	3,22.00	-
Amortization for 2017-18	88.88	-	-	88.88	-
On Deductions	-	-	-	-	-
Adjustments for classifications	(0.03)	-	0.03	-	-
As at March 31, 2018	**2,92.98**	**-**	**1,17.90**	**4,10.88**	**-**
Net Carrying amount:					
As at March 31, 2017	1,58.65	23.97	-	1,82.62	48.80
As at March 31, 2018	**75.64**	**23.97**	**-**	**99.61**	**48.80**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

		March 31, 2018	March 31, 2017
5	**NON-CURRENT FINANCIAL ASSETS - INVESTMENTS**		
	Quoted Investments		
	Investment in Equity Instruments (at Fair Value through Other Comprehensive Income)		
	John Oakey & Mohan Ltd.	**0.16**	0.16
	1,900 (March 31, 2017 - 1,900) equity shares of ₹10/- each fully paid up		
	Investment in Government Securities (at Amortised Cost)		
	8.20% 10 Years NHAI Tax Free Bonds	**74.17**	74.17
	Unquoted Investments		
	Investment in Equity Instruments (at Fair Value through Other Comprehensive Income)		
	Andhra Pradesh Gas Power Corporation Ltd.	**10,38.00**	9,47.00
	21,86,880 (March 31, 2017 - 21,86,880) equity shares of ₹10/- each fully paid up		
	Shivalik Solid Waste Management Ltd.	**2.00**	2.00
	20,000 (March 31, 2017 - 20,000) equity shares of ₹10/- each fully paid up		
	In Fellow Subsidiaries :		
	Saint-Gobain India Pvt. Ltd.	**138,22.00**	117,56.00
	28,50,074 (March 31, 2017 - 25,00,000) equity shares of ₹10/- each fully paid up		
	Saint-Gobain Research India Pvt Ltd. *	**-**	17,70.00
	(40,25,853 equity shares of ₹10/- each fully paid up as at March 31, 2017)		
	Saint-Gobain India Foundation	**0.01**	0.01
	100 (March 31, 2017 : 100) equity shares of ₹10/- each fully paid up		
	Investment in Equity Instruments (at cost)		
	In Subsidiaries:		
	Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	**20,34.36**	20,34.36
	20,29,597 (March 31, 2017 - 20,29,597) equity shares of ₹ 100/- each fully paid up		
	Investment in Mutual Fund (at Fair Value through Profit and Loss)		
	Adity Birla Sunlife FTP - Series NR - Dir Growth	**11,28.60**	-
	UTI FTIF - Series XXVIII - Plan 6 - Dir - Growth	**10,14.81**	-
		191,14.11	165,83.70
	* Saint-Gobain Research India Pvt Ltd has merged with Saint-Gobain India Pvt. Ltd. with an appointed date of April 1, 2017		
	Aggregate amount and market value of quoted investments	**74.33**	74.33
	Aggregate amount of unquoted investments	**190,39.78**	165,09.37

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

		March 31, 2018	March 31, 2017
6	**NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**		
	Unsecured and considered doubtful		
	Trade Receivables	-	3,87.92
	Less: Provision for doubtful debts	-	(3,87.92)
		-	-
7	**NON-CURRENT FINANCIAL ASSETS - LOANS**		
	Unsecured and considered good		
	Loan to Director	**2,65.62**	1,73.60
	Loan to Employees	**1,08.70**	1,53.11
	Security Deposits	**8,11.40**	7,49.09
		11,85.72	10,75.80
8	**NON-CURRENT - OTHER FINANCIAL ASSETS**		
	Unsecured and considered good		
	Bank Deposits	**11.46**	10.78
	(Deposit with maturity of more than 12 months)		
	Unsecured and considered doubtful		
	Advances recoverable in cash or in kind	**40.49**	40.49
	Less: Provision for doubtful advances	**(40.49)**	(40.49)
		11.46	10.78
9	**OTHER NON-CURRENT ASSETS**		
	Capital Advances	**11,28.45**	2,48.93
	Advances other than capital advances:		
	-Deposits with Government Authorities	**71.15**	48.78
	-Prepaid Expenses	**16.16**	6.45
	Deferred Rent Asset	**78.73**	75.93
	Other Receivables	**21.49**	31.44
		13,15.98	4,11.53
10	**CURRENT ASSETS - INVENTORIES**		
	Raw Materials	**93,11.17**	69,58.71
	Raw Materials in Transit	**31,58.83**	18,04.54
	Work-in-Progress	**52,50.26**	50,28.68
	Finished Goods *	**53,00.43**	65,95.61
	Stock in Trade *	**22,74.88**	22,21.33
	Stores and Spares	**10,48.16**	9,29.46
	Loose Tools	**3.95**	5.91
		263,47.68	235,44.24

* Includes in transit - ₹ 7,00.77 lakhs (March 31, 2017 - ₹ 10,69.47 lakhs)

Amounts recognised in Profit and Loss:

Obsolete stocks amounting to ₹ 2,54.21 lakhs are charged off in the Statement of Profit and Loss for the year ended March 31, 2018 (March 31, 2017 - ₹ 1,88.00 lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

		March 31, 2018	March 31, 2017
11	**CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**		
	Unsecured and considered good		
	Trade receivables	**13,219.52**	10,491.00
	Receivables from Related Parties (Refer Note No. 48)*	**4,104.11**	1,850.80
	Unsecured and considered doubtful		
	Trade receivables	**585.20**	-
	Less: Provision for doubtful debts	**(585.20)**	-
		17,323.63	12,341.80

11.1 *This includes ₹ 467.59 lakhs (March 31, 2017 ₹ 107.85 lakhs) due from a Private Company in which the Director of the Company is a Director.

		March 31, 2018	March 31, 2017
12	**CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS**		
	Balances with Banks		
	- in Current Accounts	**20,52.58**	19,74.15
	- in Deposit Accounts with maturity of less than 3 months	**5,00.00**	-
	Cash Balances	**31.19**	32.75
	Liquid Mutual Funds	**242,43.55**	220,58.59
		268,27.32	240,65.49
13	**CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**		
	Balances with Banks		
	- Deposits with maturity of more than 3 months but less than 12 months	**3.65**	7.71
	- Margin Money	**30.00**	64.46
	Unpaid Dividend	**1,03.18**	96.78
		1,36.83	1,68.95
14	**CURRENT FINANCIAL ASSETS - LOANS**		
	Unsecured and considered good		
	Loan to Director	**49.98**	47.83
	Loan to Employees	**44.69**	55.68
		94.67	1,03.51

14.1 The Company has not provided any loans and advances in the nature of loans to its Subsidiary during the year (March 31, 2017 - ₹ Nil) and hence disclosure requirement under regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, is not applicable.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2018	March 31, 2017
15 CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS		
Employee Advances	**1,74.26**	1,66.04
Gratuity	**-**	20.60
Others *	**14,90.51**	20,49.92
	16,64.77	22,36.56
*Includes receivable from Related Parties - ₹ 10,99.96 lakhs (March 31, 2017 - ₹ 12,77.06 lakhs)		
16 OTHER CURRENT ASSETS		
Prepaid expenses	**78.60**	1,73.86
Deferred Rent Assets	**10.84**	10.55
Balances with Government Authorities	**19,32.40**	24,27.16
Advances to Suppliers	**17,60.81**	10,79.00
	37,82.65	36,90.57
17 EQUITY SHARE CAPITAL		
AUTHORISED		
11,20,00,000 (March 31, 2017 - 11,20,00,000) Equity Shares of ₹ 5/- each	**56,00.00**	56,00.00
ISSUED, SUBSCRIBED AND PAID UP		
11,07,20,000 (March 31, 2017 - 11,07,20,000) Equity Shares of ₹ 5/- each, fully paid-up	**55,36.00**	55,36.00
	55,36.00	55,36.00

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

	March 31, 2018		March 31, 2017	
	Number of shares	**% of Holding**	Number of shares	% of Holding
Saint-Gobain Abrasives Inc.	**2,96,35,520**	**26.8%**	2,96,35,520	26.8%
Societe de Participations Financieres et Industrielles	**2,71,92,480**	**24.5%**	2,71,92,480	24.5%
Saint-Gobain India Private Limited	**3,00,000**	**0.3%**	3,00,000	0.3%
	5,71,28,000	**51.6%**	5,71,28,000	51.6%

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

	March 31, 2018		March 31, 2017	
	Number of shares	**% of Holding**	Number of shares	% of Holding
SBI Mutual Fund	**-**	**-**	55,39,439	5.0%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(c) Movement in Equity Share Capital:

Authorised Share Capital

	Number of shares	Equity share capital (par value)
As at March 31, 2016	**5,60,00,000**	28,00.00
Increase during the year	**5,60,00,000**	28,00.00
As at March 31, 2017	**11,20,00,000**	56,00.00
Increase during the year	**-**	-
As at March 31, 2018	**11,20,00,000**	56,00.00

Issued and paid-up Share Capital

	Number of shares	Equity share capital (par value)
As at March 31, 2016	**5,53,60,000**	27,68.00
Bonus Shares issued (Refer note e(i))	**5,53,60,000**	27,68.00
As at March 31, 2017	**11,07,20,000**	55,36.00
As at March 31, 2018	**11,07,20,000**	55,36.00

(d) Rights and restrictions attached to the shares

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

(e) (i) Pursuant to the approval of the Shareholders, through postal ballot and e-voting on July 7, 2016, the Company on July 22, 2016, issued and allotted 5,53,60,000 Ordinary Equity Shares of ₹ 5/- each, as fully paid-up Bonus Shares in the proportion of 1 (One) Bonus Share of ₹ 5/- each for each Ordinary Equity Share of ₹ 5/- each held on the Record Date i.e. July 15, 2016. The Company has not alloted bonus shares other than noted above during five years immediately preceeding the date of balance sheet.

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

		March 31, 2018	March 31, 2017
18	**OTHER EQUITY**		
	Reserves and Surplus (Refer Note 18 (a))	**82,105.39**	72,870.10
	Other Reserves (Refer Note 18 (b))	**10,642.58**	10,386.09
		92,747.97	83,256.19
18(a)	**RESERVES AND SURPLUS**		
	Securities Premium Account	**27,90.82**	27,90.82
	General Reserve	**402,01.34**	394,65.54
	Retained Earnings	**391,13.23**	306,13.74
		821,05.39	728,70.10
	i) SECURITIES PREMIUM ACCOUNT		
	Opening Balance	**2,790.82**	3,482.82
	Less: Issue of Bonus shares from Securities Premium Account	**-**	(692.00)
		27,90.82	2,790.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2018	March 31, 2017
ii) GENERAL RESERVE		
Opening Balance	**394,65.54**	409,36.86
Add: Transfer from Surplus in the Statement of Profit and Loss	**7,35.80**	6,04.68
Less: Issue of Bonus shares from General Reserve	-	(20,76.00)
	402,01.34	394,65.54
iii) RETAINED EARNINGS		
Opening Balance	**306,13.74**	196,75.83
Net profit for the period	**147,15.85**	116,00.98
Remeasurement of post employment benefit obligation (net of tax)	**(1,50.16)**	(58.39)
Appropriations		
General Reserve	**(7,35.80)**	(6,04.68)
Dividend for F.Y. 2016-17	**(44,28.80)**	-
[Dividend per share ₹ 4/- (Previous Year - ₹ NIL)]		
Dividend Distribution Tax for F.Y. 2016-17	**(9,01.60)**	-
	391,13.23	306,13.74

18(b) OTHER RESERVES

	FVOCI Equity Investment Reserve	**Stock Compensation Reserve**	**Revaluation Reserve**	**Total**
As at April 1, 2016	87,80.75	1,65.88	3,35.34	92,81.97
Equity instruments at fair value	10,08.42	-	-	10,08.42
Share based payments	-	95.70	-	95.70
As at March 31, 2017	97,89.17	2,61.58	3,35.34	103,86.09
Equity instruments at fair value	1,36.00	-	-	1,36.00
Share based payments	-	1,20.49	-	1,20.49
As at March 31, 2018	**99,25.17**	**3,82.07**	**3,35.34**	**106,42.58**

Nature and purpose of reserves

(i) Securities Premium Account

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

(ii) FVOCI - Equity Investment Reserve

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

(iii) Stock Compensation Reserve

The stock compensation reserve is used to recognise the grant date fair value of options issued under Group (Compangie de Saint-Gobain) share based payment arrangement to certain employees of the Company under employee stock option plans.

(iv) Revaluation Reserve

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

		March 31, 2018	March 31, 2017
19	**NON-CURRENT LIABILITIES - PROVISIONS**		
	Compensated Absence (Refer Note 25.1)	**19,60.95**	17,28.13
	Gratuity (Refer Note 33.1)	**38.75**	-
		19,99.70	17,28.13
20	**DEFERRED TAX LIABILITIES (NET)**		
	Deferred Tax Liabilities		
	The balance comprises temporary differences attributable to:		
	Depreciation	**33,82.50**	35,21.00
	Financial assets at FVOCI	**9,97.09**	7,46.09
	Total Deferred tax Liabilities	**43,79.59**	42,67.09
	Deferred tax asset		
	The balance comprises temporary differences attributable to:		
	Provision for employee benefits	**(12,03.19)**	(9,98.64)
	Others	**(5,81.44)**	(4,73.91)
	Total Deferred tax asset	**(17,84.63)**	(14,72.55)
		25,94.96	27,94.54

Movement in Deferred Tax Liabilities

	Depreciation	Provision for employee benefits	Financial Assets at FVOCI	Others	Total
At March 31, 2016	33,32.77	(1,25.11)	6,99.50	(10,75.22)	28,31.94
charged/(credited):					
- to profit and loss	1,88.23	(8,42.63)	-	6,01.31	(53.09)
- to other comprehensive income	-	(30.90)	46.59	-	15.69
At March 31, 2017	35,21.00	(998.64)	7,46.09	(4,73.91)	27,94.54
charged/(credited):					
- to profit and loss	(1,38.50)	(1,25.07)	-	(1,07.53)	(371.10)
- to other comprehensive income		(79.48)	2,51.00	-	1,71.52
At March 31, 2018	**33,82.50**	**(12,03.19)**	**9,97.09**	**(5,81.44)**	**2,594.96**

		March 31, 2018	March 31, 2017
21	**NON-CURRENT LIABILITIES - OTHER NON-CURRENT LIABILITIES**		
	Deferred Income Liability	**1,55.93**	1,98.24
		1,55.93	1,98.24
22	**CURRENT FINANCIAL LIABILITIES - BORROWINGS**		
	Unsecured		
	Loan repayable on demand - From Deustche Bank	**-**	2,72.07
	(Repayment to be made in a year with interest rate of 8.10% p.a. as per the terms agreed upon between the Company and the Bank)		
		-	2,72.07

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

		March 31, 2018	March 31, 2017
23	**CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES**		
	Total outstanding due to Micro Enterprises and Small Enterprises (Refer Note 23.1)	**3.47**	4.09
	Total outstanding due to creditors other than Micro Enterprises and Small Enterprises	**157,73.03**	114,40.47
	Total outstanding due to Related Parties (Refer Note 48)	**33,10.40**	49,56.48
		190,86.90	164,01.04

23.1 Due to Micro and Small Enterprises

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

		March 31, 2018	March 31, 2017
	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid	**3.47**	4.09
	Interest due to suppliers registered uner the MSMED Act and remaining unpaid as at year-end	**0.26**	0.61
	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-
	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-
	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**6,62.96**	1,75.33
	Interest due and payable towards suppliers registered under the MSMED Act, for payments already made for the period of delay	**4.49**	2.18
	Further interest due and payable for earlier years	**2.79**	2.07
24	**CURRENT - OTHER FINANCIAL LIABILITIES**		
	Trade / Security Deposits *	**1,21.99**	2,31.44
	Unclaimed Dividend **	**1,03.18**	96.78
	Commission due to Directors	**2,92.03**	2,24.80
	Rebates / Discounts to Dealers	**10,98.62**	10,71.44
	Other Liabilities	**9,45.85**	14,84.57
		25,61.67	31,09.03

* Includes deposit from Related Parties ₹ 39.00 lakhs (March 31, 2017 - ₹ 39.00 lakhs)

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

		March 31, 2018	March 31, 2017
25	**CURRENT LIABILITIES - PROVISIONS**		
	Compensated Absence (Refer Note 25.1)	**6,70.90**	5,67.58
	Gratuity (Refer Note 33.1)	**4,73.85**	-
	Others (Refer Note 25.2)	**9,28.66**	4,65.06
		20,73.41	10,32.64
25.1	**Details of Provision for Compensated Absence**		
	Opening Balance - Long Term	**1,728.13**	1,048.24
	Opening Balance - Short Term	**567.58**	422.78
	Provision made during the year	**509.11**	993.16
	Utilisation during the year	**(172.97)**	(169.01)
	Closing Balance - Long Term	**1,960.95**	1,728.13
	Closing Balance - Short Term	**670.90**	567.58
25.2	**Details of Other Provisions**		
	Opening Balance	**4,65.06**	3,80.32
	Provision made during the year	**4,63.60**	84.74
	Utilisation during the year	**-**	
	Closing Balance	**9,28.66**	4,65.06

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

		March 31, 2018	March 31, 2017
26	**CURRENT TAX LIABILITIES**		
	Income Tax (Net of advance tax)	**10,85.41**	3,22.06
		10,85.41	3,22.06
27	**OTHER CURRENT LIABILITIES**		
	Statutory Liabilities	**15,74.82**	21,53.25
	Deferred Income Liability	**42.39**	47.58
	Other Liabilities	**23,64.14**	20,81.27
		39,81.35	42,82.10
28	**REVENUE FROM OPERATIONS**		
	Sale of products (including excise duty) (Refer note 28.1)	**1,329,92.08**	1,259,42.92
	Service Income	**90,73.54**	69,16.91
	Other operating revenue	**7,53.16**	8,27.00
		142,818.78	1,336,86.83
28.1	**Sale of products (Gross)**		
	Abrasives	**901,01.27**	898,36.00
	Ceramics & Plastics	**380,39.27**	318,63.00
	Others	**48,51.54**	42,43.92
		1,329,92.08	1,259,42.92

*The sales value mentioned above includes sale of trading goods of ₹ 135,59.43. lakhs (March 31, 2017 - ₹ 112,35.84 lakhs)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

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

	March 31, 2018	March 31, 2017
Gross Sales (A)	**1,329,92.08**	1,259,42.92
Excise duty on Sales (B)	**22,80.69**	100,44.00
Gross Sales excluding excise duty [C = (A-B)]	**1,307,11.39**	1,158,98.92

29 OTHER INCOME

	March 31, 2018	March 31, 2017
Interest income	**2,40.93**	99.11
Interest Income on defined benefit obligation (net)	**1.49**	-
Dividend income	**-**	0.20
Gain on Redemption of Mutual Funds	**11,43.52**	7,96.33
Interest income from financial asset at amortised cost	**24.02**	20.20
Unwinding of discount on security deposits	**27.34**	20.22
Fair value gain on financial instruments at fair value through profit or loss	**4,37.46**	1,85.24
Royalty Income	**2,01.00**	2,00.90
Other Non-operating income	**8,25.62**	19,72.16
	29,01.38	32,94.36

30 COST OF MATERIALS CONSUMED

	March 31, 2018	March 31, 2017
Opening Stock of		
Raw Materials	**69,58.71**	78,69.67
Raw Materials in Transit	**18,04.54**	20,56.09
	87,63.25	99,25.76
Add : Purchases	**568,09.63**	461,61.49
Less: Closing Stock of		
Raw Materials	**(93,11.17)**	(69,58.71)
Raw Materials in Transit	**(31,58.83)**	(18,04.54)
	(124,70.00)	(87,63.25)
	531,02.88	473,24.00

31 PURCHASE OF STOCK IN TRADE

	March 31, 2018	March 31, 2017
Abrasives	**69,09.16**	49,77.46
Ceramics & Plastics	**21,33.36**	20,02.48
Others	**15,98.59**	29,88.22
	106,41.11	99,68.16

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

		March 31, 2018	March 31, 2017
32	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN -TRADE AND WORK-IN-PROGRESS**		
	Opening stock of		
	Finished Goods	**65,95.61**	66,28.67
	Traded Goods	**22,21.33**	19,29.19
	Work-In-Progress	**50,28.68**	54,07.77
		138,45.62	139,65.63
	Closing stock of		
	Finished Goods	**53,00.43**	65,95.61
	Traded Goods	**22,74.88**	22,21.33
	Work-In-Progress	**52,50.26**	50,28.68
		128,25.57	138,45.62
	Excise duty expense on increase/ (decrease) of finished goods	**(3,92.63)**	97.70
		6,27.42	2,17.71
33	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries, Wages and Bonus	**146,45.90**	139,15.78
	Shared Based Payments	**1,20.49**	95.70
	Contribution to provident and other funds and Gratuity (Refer Note 33.1)	**12,27.87**	11,82.44
	Staff welfare expense	**14,31.91**	16,23.21
		174,26.17	168,17.13
33.1	**Disclosure as required under Ind AS 19 - Employee Benefits**		
	I. Defined Contribution Plans:		
	Contribution to Defined Contribution Plans recognised as expense for the year are as under:		
	Employer's Contribution to Provident Fund	**6,70.42**	6,20.57
	Employer's Contribution to Superannuation Fund	**1,08.88**	1,09.16

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, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the Payment of Gratuity Act or as per the Company's policy, whichever is beneficial to the employees.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2018:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

		March 31, 2018	March 31, 2017
i)	**Change in present value of defined benefit obligation**		
	Present Value of defined benefit obligation at the beginning of the year	**48,35.63**	43,53.45
	Interest Cost	**3,51.07**	3,40.01
	Current service cost	**3,79.60**	3,20.66
	Past service cost	**-**	-
	Benefits paid	**(2,25.28)**	(3,15.25)
	Remeasurements		
	Actuarial changes arising from changes in demographic assumptions	**-**	-
	Actuarial changes arising from changes in financial assumptions	**1,54.11**	1,61.15
	Actuarial changes arising from experience assumptions	**84.77**	(24.39)
	Changes in asset ceiling excluding amounts included in interest expense	**-**	-
	Present Value of defined benefit obligation at the end of the year	**55,79.90**	48,35.63
ii)	**Change in fair value of plan assets**		
	Fair Value of plan assets at the beginning of the year	**48,56.23**	38,27.56
	Interest Income	**3,52.56**	2,98.93
	Contributions paid by the employer	**74.55**	9,97.83
	Benefits paid from the fund	**(2,25.28)**	(3,15.25)
	Remeasurements		
	Return on plan assets excluding amounts included in interest expense/(income)	**9.24**	47.16
	Actuarial changes arising from experience assumptions	**-**	-
	Fair Value of plan assets at the end of the year	**50,67.30**	48,56.23
iii)	**Net asset / (liability) recognised in the Balance Sheet**		
	Present Value of defined benefit obligation at the end of the year	**(55,79.90)**	(48,35.63)
	Fair Value of plan assets at the end of the year	**50,67.30**	48,56.23
	Amount recognised in the balance sheet	**(5,12.60)**	20.60
	Net Asset / (Liability) recognised current	**(4,73.85)**	20.60
	Net Liability - non current	**(38.75)**	-
iv)	**Expense recognised in the Statement of Profit and Loss for the year**		
	Current service cost	**3,79.60**	3,20.66
	Interest cost on defined benefit obligation	**(1.49)**	41.07
	Total expenses	**3,78.11**	3,61.73

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2018	March 31, 2017
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	**1,54.11**	1,61.15
Actuarial changes arising from experience assumptions	**84.77**	(24.39)
Actuarial Losses on Obligation for the period	**2,38.88**	1,36.76
Return on plan assets, excluding amounts included in interest income	**(9.24)**	(47.16)
Recognised in other comprehensive income	**2,29.64**	89.60
vi) Actuarial Assumptions		
Expected return on plan assets	**7.78%**	7.26%
Rate of Discounting	**7.78%**	7.26%
Rate of Salary Increase	**10.00%**	9.00%
Rate of Employee Turnover	**5.00%**	5.00%
Mortality Rate During Employment	**Indian Assured Lives Mortality (2006-08)**	**Indian Assured Lives Mortality (2006-08)**
Mortality Rate After Employment	**N.A.**	N.A.
vii) Sensitivity Analysis		
Projected Benefit Obligation on Current Assumptions	**55,79.90**	48,35.63
Delta Effect of +0.5% Change in Rate of Discounting	**(1,65.67)**	(1,46.96)
Delta Effect of -0.5% Change in Rate of Discounting	**1,76.77**	1,56.74
Delta Effect of +0.5% Change in Rate of Salary Increase	**1,72.28**	1,53.43
Delta Effect of -0.5% Change in Rate of Salary Increase	**(1,63.15)**	(1,45.34)
Delta Effect of +0.5% Change in Rate of Employee Turnover	**(26.22)**	(19.07)
Delta Effect of -0.5% Change in Rate of Employee Turnover	**27.50**	19.94
Methodology Adopted for Asset Liability Management (ALM)	**Projected Unit Credit Method**	Projected Unit Credit Method

Usefulness and Methodology adopted for Sensitivity analysis

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

viii) Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 10 years. The expected maturity analysis of gratuity on undiscounted basis is as follows:

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

	March 31, 2018	March 31, 2017
1st Following Year	**10,62.91**	8,42.28
2nd Following Year	**5,17.98**	4,10.97
3rd Following Year	**5,40.22**	3,79.16
4th Following Year	**3,60.13**	5,32.45
5th Following Year	**5,32.83**	3,24.65
Sum of Years 6 To 10	**24,16.18**	19,99.17
Sum of Years 11 and above	**51,36.83**	42,50.76
ix) Major categories of plan assets are as follows:		
Insurer managed funds	**5,067.30**	4,856.23

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

x) **Risk exposure:**

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

			March 31, 2018		March 31, 2017
34	**FINANCE COSTS**				
	Interest Expense		**1,04.68**		69.39
	Interest Cost on defined benefit obligation (net)		**-**		41.07
			1,04.68		1,10.46
35	**DEPRECIATION AND AMORTISATION EXPENSE**				
	Depreciation of Property, Plant and Equipment		**41,28.85**		38,29.17
	Amortisation of Intangible Assets		**88.88**		1,53.75
			42,17.73		39,82.92
36	**OTHER EXPENSES**				
	Consumption of Stores and Spares		**29,84.53**		28,12.72
	Processing Charges		**29,86.56**		26,99.37
	Power & Fuel		**51,62.93**		42,78.04
	Freight Octroi and Packing Expenses		**89,70.31**		75,52.36
	Rent / Lease payment		**12,43.64**		12,14.23
	Repairs & Maintenance				
	Building	**19.96**		60.56	
	Machinery	**232.71**		3,26.63	
	Others	**266.54**	**5,19.21**	3,33.01	7,20.20
	Insurance		**1,79.63**		1,53.18
	Rates and Taxes		**3,98.42**		4,56.55
	Travelling & Conveyance		**17,79.14**		17,43.21
	Commission		**1,68.61**		1,17.33
	Royalties		**28,12.29**		21,37.78
	Loss on assets discarded /sold (net)		**1,01.61**		15.30
	External Service charges		**41,29.46**		39,81.74
	Bad debts & Advances written off		**17.15**		12.20
	Provision for Doubtful Debts & Advances		**1,97.28**		19.67
	Miscellaneous expenses (Refer Note 36.1 & 36.2)		**34,57.85**		33,28.45
			351,08.62		312,42.33

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

		March 31, 2018	March 31, 2017
36.1	**Miscellaneous expenses include**		
	Amounts paid to Auditors:		
(i)	Audit Fees	21.50	17.00
(ii)	Tax Audit	2.00	4.00
(iii)	Tax representation before Authorities	-	2.11
(iv)	Certification	-	15.29
(v)	Reimbursement of expenses	1.12	0.75

36.2 Corporate social responsibility expenditure

(a) Amount prescribed under the Companies Act, 2013 to be spent during the year on CSR activities is ₹ 3,14.14 lakhs (March 31, 2017 - ₹ 2,81.19 lakhs)

(b) The contribution during the year to Saint-Gobain India Foundation (Related Party as per Ind AS 24) is ₹ 1,01.19 lakhs (March 31, 2017 - ₹ 78.97 lakhs) which is spent on purposes other than Construction / acquisition of any assets.

		March 31, 2018	March 31, 2017
37	**TAX EXPENSE**		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	**78,66.11**	57,26.59
		78,66.11	57,26.59
	Deferred tax		
	Decrease / (increase) in deferred tax assets	**(2,32.60)**	(2,41.32)
	(Decrease) / increase in deferred tax liabilities	**(1,38.50)**	1,88.23
	Total deferred tax expense/(benefit)	**(3,71.10)**	(53.09)
	Income tax expense	**74,95.01**	56,73.50
	(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
	Profit before income tax expense	**222,10.86**	172,74.48
	Tax at the Indian tax rate of 34.61% (2016-2017- 34.61%)	**76,86.74**	59,78.35
	Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
	Corporate social responsibility expenditure (net of 80G benefit)	**17.65**	13.67
	Deduction under Section 32AC for capital expenditure	**-**	(1,29.77)
	Interest income from interest free bond exempt under section 10(34)	**(2.08)**	(2.10)
	Other items (includes tax incentives)	**(2,07.30)**	(1,86.65)
	Income Tax Expense	**74,95.01**	56,73.50

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

			March 31, 2018	March 31, 2017
38	**EARNINGS PER SHARE**			
	(a)	**Basic earnings per share**		
		Basic earnings per share attributable to the equity holders of the Company	**13.29**	10.48
	(b)	**Diluted earnings per share**		
		Diluted earnings per share attributable to the equity holders of the Company	**13.29**	10.48
	(c)	**Reconciliations of earnings used in calculating earnings per share**		
		Basic earnings per share	**13.29**	10.48
		Profit attributable to equity holders of the Company used in calculating basic earnings per share	**147,15.85**	116,00.98
		Diluted earnings per share	**13.29**	10.48
		Profit attributable to equity holders of the Company used in calculating diluted earning per share	**147,15.85**	116,00.98
	(d)	**Weighted average number of equity shares used as the denominator in calculating Basic and Diluted earnings per share**	**11,07,20,000**	11,07,20,000
		Adjustments for calculation of diluted earnings per share	**-**	-
		Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	**11,07,20,000**	**11,07,20,000**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

39 FAIR VALUE MEASUREMENTS

Financial instruments by category

	March 31, 2018			March 31, 2017		
	FVTPL	**FVOCI**	**Amortised cost**	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	**-**	**148,62.17**	**-**	-	144,75.17	-
- Mutual funds	**263,86.96**	**-**	**-**	220,58.59	-	-
- Government Securities	**-**	**-**	**74.17**	-	-	74.17
Trade receivables	**-**	**-**	**173,23.63**	-	-	123,41.80
Loan to directors	**-**	**-**	**3,15.60**	-	-	2,21.43
Loan to employees	**-**	**-**	**1,53.39**	-	-	2,08.79
Cash and cash equivalents	**-**	**-**	**25,83.78**	-	-	20,06.90
Bank Balances	**-**	**-**	**1,48.29**	-	-	1,79.73
Security deposits	**-**	**-**	**8,11.40**	-	-	7,49.09
Employee Advances	**-**	**-**	**1,74.26**	-	-	1,66.04
Foreign Exchange Forward Contracts	**-**	**-**	**-**	3,02.57	-	-
Other receivables (Unsecured)	**-**	**-**	**14,90.51**	-	-	17,67.95
Total Financial Assets	**263,86.96**	**148,62.17**	**230,75.03**	223,61.16	144,75.17	177,15.90
Financial liabilities						
Trade / Security Deposits	**-**	**-**	**1,21.99**	-	-	2,31.44
Unclaimed Dividend	**-**	**-**	**1,03.18**	-	-	96.78
Borrowings	**-**	**-**	**-**	-	-	2,72.07
Trade payables	**-**	**-**	**190,86.90**	-	-	164,01.04
Capital creditors	**-**	**-**	**83.23**	-	-	8,09.59
Foreign Exchange Forward Contracts	**97.97**	**-**	**-**	-	-	-
Other financial liabilities	**-**	**-**	**21,55.30**	-	-	19,71.22
Total Financial Liabilities	**97.97**	**-**	**215,50.60**	-	-	197,82.14

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

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

As at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investments at FVTPL					
Mutual Funds	5,12	263,86.96	-	-	263,86.96
Financial Investments at FVOCI					
Unquoted Equity Investments	5	-	-	148,62.17	148,62.17
Derivatives not designated as hedges					
Foreign Exchange Forward Contracts		-	-	-	-
Total Financial Assets		**263,86.96**	-	**148,62.17**	**412,49.13**
Financial Liabilities					
Derivatives not designated as hedges					
Foreign Exchange Forward Contracts	24	-	97.97	-	97.97
Total Financial Liabilities		-	**97.97**	-	**97.97**

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

As at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Government securities	5	82.36	-	-	82.36
Loans					
Loans to employees	7,14	-	-	1,17.61	1,17.61
Loan to directors	7,14	-	-	2,94.55	2,94.55
Security deposits	7	-	-	8,77.15	8,77.15
Total Financial Assets		**82.36**	-	**12,89.31**	**13,71.67**
Financial Liabilities		-	-	-	-
Total Financial Liabilities		-	-	-	-

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

As at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investments at FVTPL					
Mutual Funds	12	220,58.59	-	-	220,58.59
Financial Investments at FVOCI					
Unquoted Equity Investments	5	-	-	144,75.17	144,75.17
Derivatives not designated as hedges					
Foreign Exchange Forward Contracts	15	-	3,02.57	-	3,02.57
Total Financial Assets		**220,58.59**	**3,02.57**	**144,75.17**	**368,36.33**
Financial Liabilities		-	-	-	-
Total Financial Liabilities		-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(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, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Government securities	5	83.37	-	-	83.37
Loans					
Loans to employees	7,14	-	-	2,10.66	2,10.66
Loan to directors	7,14	-	-	2,33.48	2,33.48
Security deposits	7	-	-	8,57.85	8,57.85
Total Financial Assets		**83.37**	**-**	**13,01.98**	**13,85.36**
Financial Liabilities		**-**	**-**	**-**	**-**
Total Financial Liabilities		**-**	**-**	**-**	**-**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rate at the balance sheet date
- the fair value of employee stock option plans are determined using Black and Scholes valuation model
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 1 or 2 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counter party or own credit risk.

(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, 2018 & March 31, 2017.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Unquoted Equity Shares

As on March 31, 2016	13,420.17
Acquisitions	-
Gains (Losses) recognised in other comprehensive income	1,055.00
As on March 31, 2017	144,75.17
Acquisitions	-
Gains / (Losses) recognised in other comprehensive income	3,87.00
As on March 31, 2018	**148,62.17**

(iv) Valuation inputs and relationships to fair value

Particulars	Fair value as at		Significant Observable Inputs	Probable - weighted range		Sensitivity
	March 31, 2018	March 31, 2017		**March 31, 2018**	March 31, 2017	
Unquoted Equity Shares	**148,62.17**	144,75.17	Earnings Growth Rate	**5.00%**	5.00%	2018: Increased earnings growth factor(+50 bps) and lower discount rate (-50bps) would increase FV by ₹ 27,40.65 lakhs; lower growth factor (-50bps) and higher discount rate (+50bps) would decrease FV by ₹ 13,52.73 lakhs
			Risk adjusted discount rate	**12.60%**	12.50%	2017: Increased earnings growth factor(+50 bps) and lower discount rate (-50bps) would increase FV by ₹ 22,26.63 lakhs; lower growth factor (-50bps) and higher discount rate (+50bps) would decrease FV by ₹ 17,02.72 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:

Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the Chief Financial Officer (CFO), Audit Committee (AC) and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(vi) Fair value of financial assets and liabilities measured at amortised cost

	March 31, 2018		March 31, 2017	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Investments				
Government securities	**74.17**	**82.36**	74.17	83.37
Loans				
Loans to employees	**1,53.39**	**1,17.61**	2,08.79	2,10.66
Loan to directors	**3,15.60**	**2,94.55**	2,21.43	2,33.48
Security deposits	**8,11.40**	**8,77.15**	7,49.09	8,57.85
Total financial assets	**13,54.56**	**13,71.67**	**12,53.48**	**13,85.36**

The carrying amounts of trade receivables, electricity deposit,employee advances, cash and cash equivalents and other short term receivables,trade payables, unclaimed dividend, borrowings, capital creditors and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans, security deposits and investment in government securities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are not observable.

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

40 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 and security deposits. The Company manages and analyses the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered.

(i) Credit risk management

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognised from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	March 31, 2018	March 31, 2017
Trade Receivables	**173,23.63**	123,41.80
Allowance for doubtful debts	**5,85.20**	3,87.92
Percentage	**3.38%**	3.14%

(ii) Reconciliation of loss allowance provision – Trade receivables

(₹ Lakhs)

Loss allowance on March 31, 2017	**3,87.92**
Changes in loss allowance	1,97.28
Loss allowance on March 31, 2018	**5,85.20**

(B) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company ensures sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, the Treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2018	March 31, 2017
Floating rate		
- Expiring beyond one year (bank loans and overdrafts)	**29,03.00**	58,40.00

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.

Contractual maturities of financial liabilities

	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
March 31, 2018						
Non-derivatives						
Borrowings	-	-	-	-	-	-
Trade payables	190,86.90	-	-	-	-	190,86.90
Other financial liabilities	25,61.67	-	-	-	-	25,61.67
Total Non-derivative liabilities	**216,48.57**	**-**	**-**	**-**	**-**	**216,48.57**
March 31, 2017						
Non-derivatives						
Borrowings	2,72.07	-	-	-	-	2,72.07
Trade payables	164,01.04	-	-	-	-	164,01.04
Other financial liabilities	31,09.03	-	-	-	-	31,09.03
Total non-derivative liabilities	**197,82.14**	**-**	**-**	**-**	**-**	**197,82.14**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(C) Market risk

(i) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency sales and purchases, primarily with respect to EUR, USD, GBP, AUD and JPY. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows.

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

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

	March 31, 2018			**March 31, 2017**		
Currency	**Trade receivable**	**Hedges available**	**Net exposure to foreign currency risk**	Trade receivable	Hedges available	Net exposure to foreign currency risk
AUD	**23.68**	**23.68**	**-**	**39.40**	**24.44**	**14.97**
EUR	**46,27.97**	**46,27.97**	**-**	**10,60.17**	**10,60.17**	**-**
USD	**34,13.46**	**34,13.46**	**-**	**17,68.19**	**17,68.19**	**-**

	March 31, 2018			March 31, 2017		
Currency	**Trade payable**	**Hedges available**	**Net exposure to foreign currency risk**	Trade payable	Hedges available	Net exposure to foreign currency risk
CNH	**47.99**	**47.99**	**-**	**82.43**	**82.43**	**-**
EUR	**8,89.88**	**8,89.88**	**-**	**9,11.31**	**9,11.31**	**-**
GBP	**20.48**	**20.48**	**-**	**34.38**	**34.38**	**-**
JPY	**180,09.25**	**180,09.25**	**-**	**41.69**	**41.69**	**-**
SEK	**-**	**-**	**-**	**3.72**	**3.72**	**-**
USD	**32,25.81**	**32,25.81**	**-**	**29,58.68**	**29,58.68**	**-**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from unhedged foreign currency denominated financial instruments

	Impact on profit after tax	
	March 31, 2018	March 31, 2017
AUD sensitivity		
₹/AUD increases by 5%	**-**	**0.49**
₹/AUD decreases by 5%	**-**	**(0.49)**

41 CAPITAL MANAGEMENT

(a) Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Currently, there are no borrowings and operations are being funded through internal accruals.

(b) Dividends

	March 31, 2018	March 31, 2017
(i) Equity shares		
Dividend for the year ended March 31, 2017 of ₹ 4/- per fully paid share	**44,28.80**	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a dividend of ₹ 5/- per fully paid equity share (March 31, 2017 - ₹ 4/-). This proposed dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting.

		March 31, 2018	March 31, 2017
42	**CONTINGENT LIABILITIES AND CONTINGENT ASSETS**		
(i)	**Contingent liabilities**		
(a)	Excise, Service Tax & Custom Duty demands pending with the appropriate authorities and disputed by the Company	**10,18.86**	6,33.09
(b)	Claims against the Company under the Labour Laws disputed cases by the Company	**1,01.49**	1,01.49
(c)	Guarantees given by Banks, of which ₹ 6,92.18 lakhs (March 31, 2017 - ₹ 7,23.55 lakhs) are counter guaranteed by the Company	**6,92.18**	7,23.55
(d)	Guarantees given on behalf of Subsidiary Company against loan taken by Subsidiary	**-**	7,34.57
(e)	Non-Agricultural Land Cess	**37.79**	37.79
(f)	Other Claims against the Company not acknowledged as debts	**1,79.33**	1,79.33
(g)	Demand raised by A.P Transco on increase in power cost, disputed by the Company & subjudice in Honourable Supreme Court	**35,99.75**	32,22.37
(h)	Demand raised by A.P Transco on surplus units allocated, disputed by the Company & subjudice in High Court (Net)	**10,43.29**	10,15.45
(i)	Demand raised by A.P Transco for fuel surcharge adjustment for Financial years 2008-09 & 2009-10 disputed by the Company & subjudice in Honourable Supreme Court	**2,64.00**	2,64.00
(j)	Income tax liability on account of disputed disallowances	**1,34.51**	1,65.32
(ii)	**Contingent assets**	**-**	-
43	**COMMITMENTS**		
(i)	**Capital commitments**		
	Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
	Property, Plant and Equipment	**37,85.23**	1,80.93
(ii)	**Non-cancellable operating leases**		
	Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
	Within one year	**9,20.72**	8,95.11
	Later than one year but not later than five years	**24,34.24**	30,35.90
	Later than five years	**-**	1,58.86
	Commitments for minimum lease receipts in relation to non-cancellable operating leases are receivable as follows:		
	Within one year	**1,73.99**	1,52.57
	Later than one year but not later than five years	**-**	-
	Later than five years	**-**	-
	Rental expense relating to operating leases		
	Minimum lease payments	**12,43.64**	12,14.23
	Total rental expense relating to operating leases	**12,43.64**	12,14.23

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

44 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Dividend of ₹ 5 per equity share of ₹ 5 each, has been recommended by the Board of Directors, in the Board meeting held on May 30, 2018, which is subject to the approval of share holders in the ensuing Annual General Meeting.

45 Exchange difference arising on foreign currency transactions amounting to net gain of ₹ 5,80.70 lakhs (March 31, 2017 - ₹ 8,85.65 lakhs) has been accounted under respective heads.

46 The segment information is presented under the Notes to 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.

i) Summary of Share options granted under plan

	March 31, 2018		March 31, 2017	
	Average exercise price per share option	**Number of share options**	Average exercise price per share option	Number of share options
Opening balance	-	**31,160**	-	28,650
Granted during the year	-	**10,340**	-	10,160
Exercised during the year	-	**(5,458)**	-	(5,216)
Forfeited during the year	-	**(602)**	-	(2,434)
Total	-	**35,440**	-	31,160

(b) Expense arising from share based payment transaction

	March 31, 2018	March 31, 2017
Performance Share Plan	**1,20.49**	95.70

48 RELATED PARTY TRANSACTIONS (As per Ind AS 24 Related Party Disclosures)

1. Relationships

(i) HOLDING COMPANY

Compagnie de Saint-Gobain

(ii) FELLOW SUBSIDIARIES

Certainteed Corporation,USA

Compagnie De Saint-Gobain, France

Dahl Sweden Ab, Sweden

Saint-Gobain Services Construction Products Gmbh, Germany

Saint-Gobain América, S.A. De Cv, Mexico

Saint-Gobain Building Distribution Deutschland Gmbh, France

Saint-Gobain Ceramic Materials Weilerswist GMBH, Germany

Saint-Gobain Ceramic Materials As, Norway

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Groupe Point P, France

L.M.Van Moppes Diamond Tools, India

Lapeyre Services, France

Norton Company (Materials Div), USA

Pt. Saint-Gobain Winter Diamas, Indonesia

Pt. Saint-Gobain Abrasives Diamas, Indonesia

Pt. Saint-Gobain Performace Pla Indonesia, Indonesia

S G Performance Plastics Corp, USA

Saint-Gobain Ceramics & Plastics, Inc., USA

Saint-Gobain Abrasives (Singapore) Pte Ltd, Malaysia

Saint-Gobain Abrasives (Suzhou) Co Ltd, China

Saint-Gobain Abrasives B.V. (Nederland),Netherland

Saint-Gobain Abrasives Gmbh, Germany

Saint-Gobain Abrasives Ltd.,South Africa

Saint-Gobain Abrasives Sea, Indonesia

Saint-Gobain Abrasives Sp.Z.O.O

Saint-Gobain Abrasives USA Inc., USA

Saint-Gobain Achats, France

Saint-Gobain Adfors, France

Saint-Gobain Adfors Cz, France

Saint-Gobain Building Distribution, France

Saint-Gobain Building Distribution-UK

Saint-Gobain Ceramic Materials As, Norway

Saint-Gobain Ceramics & Plastic, USA

Saint-Gobain Ceramics Inc, USA

Saint-Gobain Ceramics Materials, USA

Saint-Gobain Ceramiques Informatique Et, France

Saint-Gobain Corporation, France

Saint-Gobain Diamantwerkzeuge, Germany

Saint-Gobain Dsi Groupe, France

Saint-Gobain Glass, France

Saint-Gobain India Pvt Ltd, India

Saint-Gobain Innovative Materials Belgium Nv-Ppl,

Saint-Gobain Inovatif Malzemeleri, Turkey

Saint-Gobain Norpro, USA

Saint-Gobain Ceramic Materials (Zhengz) Co, China

Saint-Gobain Ceramic Materials, Norway

Saint-Gobain Ceramics, USA

Saint-Gobain Ceramics & Plastics Inc., USA

Saint-Gobain Ceramics & Plastics, Brazil

Saint-Gobain Colombia S.A.S, Columbia

Saint-Gobain Construction Products Rus LlC,Russia

Saint-Gobain Diamantwerkzeuge Gmbh & Co.,Germany

Saint-Gobain Distribution Batiment France S.A.S,

Saint-Gobain Distribution Nordic Ab, Denmark

Saint-Gobain Do Brasil Produtos,Brazil

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

Saint-Gobain Formula Thai Gypsum Pr, Thailand

Saint-Gobain Glass Egypt,Egypt

Saint-Gobain Hpm Polaska Sp.Z.Oo, Poland

Saint-Gobain India Foundation, India

Saint-Gobain Industrial Ceramics, Australia

Saint-Gobain Industrial Ceramics Li, Australia

Saint-Gobain Industriekeramik Rodental Gmbh,

Saint-Gobain K.K. Performance Plastics, Japan

Saint-Gobain Malaysia Sdn Bhd,Malaysia

Saint-Gobain Materiales Ceramicos, Venezuela

Saint-Gobain Materiaux Ceramiques, France

Saint-Gobain Nordic A/S,Denmark

Saint-Gobain Performance Plastics Corporation,USA

Saint-Gobain Performance Plastics Portag, USA

Saint-Gobain Performance Plastics Plymout, USA

Saint-Gobain Pipes-France

Saint-Gobain Ppl Corporation, Mexico

Saint-Gobain Performance Plastics Korea Co Ltd, Korea

Saint-Gobain Ppl Shanghai, China

Saint-Gobain Sekurit India Ltd, India

Saint-Gobain Sekurit(Thailand) Co. Ltd., Thailand

Saint-Gobain Solar Gard, Llc., USA

Saint-Gobain Technical Fabrics, S.A. De, Mexico

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Saint-Gobain Performance Plastics Pampus GmbH,Germany	Saint-Gobain Viet Nam Ltd.,Vietnam
Saint-Gobain Performance Plastics Corp, USA	Saint-Gobain Zirpro (Handan) Co., Ltd, China
Saint-Gobain Research India Private Limited, India*	Sap Competence Center Verallia, France
Saint-Gobain (Sea) Pte. Ltd, Philippines	Savoie Refractories - SG France
Saint-Gobain Abrasifs, UAE	SEPR, France,
Saint-Gobain Abrasifs Maroc, Morocco	SG Advanced Ceramics (Shanghai) Co Ltd, China
Saint-Gobain Abrasifs(Deplanque), Belgium	SG Consulting Information & Organisation (SGcio), France
Saint-Gobain Abrasifs, France,	SG Distribuição Brasil, Brazil
Saint-Gobain Abrasives - Cedex-France	SG Distribution Batiment (Point P), France
Saint-Gobain Abrasives (Nz) Ltd., Newzealand	SG Info Sys Gmbh, Germany
Saint-Gobain Abrasives (Pty) Ltd., South Africa	SG Isover (Weber Netservices), France
Saint-Gobain Abrasives (Thailand) Ltd,Thailand	SG Materiaux Ceramiques Benelux Sa, Belgium
Saint-Gobain Abrasives B.V., Netherland	SG Performance Plastics , France
Saint-Gobain Abrasives Gmbh, Germany	SG Performance Plastics Corby, UK
Saint-Gobain Abrasives Inc., USA	SG Performance Plastics Korea Co Ltd,, Korea
Saint-Gobain Abrasives Ltd -Stafford, UK	SG Performance Plastics Pampus Gmbh, Germany
Saint-Gobain Abrasives Ltd., England	SG Performance Plastics, USA
Saint-Gobain Abrasives P. A.(Ami), Italy	SG Performance Plastics(Shanghai) Co Ltd, China
Saint-Gobain Abrasives Pty Ltd., Australia	SG Performance Plastics, Ireland, Ireland
Saint-Gobain Abrasives S.A., Luxembourg	SG Performance Plastics, Rencol., UK
Saint-Gobain Abrasives (Shanghai) Co.Ltd, China	SG Performance Plastics, Taiwan
Saint-Gobain Abrasives, Inc.,USA	SG Performance Plastics,Kontich, Belgium
Saint-Gobain Abrasivi S.P.A, Italy	SGppl-Isofluor Gmbh,Germany
Saint-Gobain Abrasivi S.P.A. (Micromold), Italy	Saint-Gobain Tech Services-Central Europe, France
Saint-Gobain Abrasivos Colombia Ltda, Colombia	Saint-Gobain Tech Services-Sc, France
Saint-Gobain Abrasivos L.Da - Portugal	Saint-Gobain Tech Services-Uk, France
Saint-Gobain Abrasivos Ltda, Brazil	SGTS-NA, USA
Saint-Gobain Abrasivos S.A., Spain	Saint-Gobain Abrasivos (Suzhou) Co Ltd, China
Saint-Gobain Advanced Ceramics Niagara H,United States	Thai Gypsum Products PCI, Thailand
Saint-Gobain Advanced Ceramics(Shanghai) Co Ltd., China	Saint-Gobain C.R.E.E, France

Note that the transactions with SGRIPL are grouped under Saint-Gobain India Pvt. Ltd. as this company is merged into Saint-Gobain India Pvt. Ltd. w.e.f from April 1, 2017, as per the order of Honorable High court of judicature of Madras dated December 28, 2017.

(iii) OTHER RELATED PARTIES :

Grindwell Norton Employees Gratuity Trust	Grindwell Norton Employees Superannuation Trust

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(iv) SUBSIDIARY COMPANY

Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.

(v) KEY MANAGEMENT PERSONNEL

Mr. Anand Mahajan, Managing Director
Mr. Krishna Prasad, Alternate Director
Mr. Pradip Shah, Independent Director
Mr. Shivanand Salgaocar, Independent Director
Mr. Keki M. Elavia, Independent Director
Mr. Mikhil Narang, Director

(vi) (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, 2018	March 31, 2017
Compagnie de Saint-Gobain	Ultimate Holding Co*	Le Miroirs 18 Avenue d'Alsace F-92400 Courbevoie, France	**51.6%**	51.6%
* The Ultimate Holding Company ("Saint-Gobain") holds shares in the Company through the following subsidiaries				
Saint-Gobain Abrasives Inc; USA	Fellow Subsidiary	1 New Bond Street, P.O Box 15008 Worcester MA 01615 USA	**26.8%**	26.8%
Societe de Participations Financieres et Industrielles	Fellow Subsidiary	Le Miroirs 18 Avenue d'Alsace F-92400 Courbevoie, France	**24.5%**	24.5%
Saint-Gobain India Pvt Ltd	Fellow Subsidiary	Sigapi Aachi Building, Floor No 7, 18/3 Rukmani Lakmipathy Road, Egmore Chennai TN India 600008	**0.3%**	0.3%

(b) Subsidiary

Name of entity	Type	Place of business	Ownership interest held by the Company	
			March 31, 2018	March 31, 2017
Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	Subsidiary	L-14 Pasakha Industrial Estate, PO Box 275, Pasakha Bhutan	**70%**	70%

(c) Key Management Personnel Compensation

	March 31, 2018	March 31, 2017
Short-term employee benefits	**2,96.60**	1,11.67
Post-employment benefits	**78.42**	53.43
Sitting Fees	**14.10**	10.80
Other Details		
Commission Payable	**2,92.03**	2,24.80
Bonus share issued (No. of shares)	**-**	4,984,22

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(d) Transactions with related parties

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

Sr. No.	Particulars	Holding Company		Fellow Subsidiaries		Other Related Parties		Subsidiary Company	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
1	Sales	-	-	44,89.94	33,22.04	-	-	-	-
2	Agency Commission received	-	-	29.85	32.51	-	-	-	-
3	Service Income	2,00.60	1,31.77	87,78.38	66,10.49	-	-	30.00	30.00
4	Other Income	-	58.50	3,80.88	3,51.31	-	-	2,06.77	2,08.24
5	Purchase of Goods	-	-	160,96.38	152,04.17		-	44,47.85	43,66.62
6	Expenses charged to other companies	19.13	13.30	19,20.86	14,07.69	-	-	12.47	14.99
7	Expenses charged by other companies	55.71	60.95	8,80.50	7,40.83	-	-	4.39	-
8	Royalty Paid	-	-	28,12.29	21,37.78	-	-	-	-
9	Other Expenses	-	-	1,35.04	18.00	-	-	-	-
10	Dividend Paid		-	22,85.12	-	-	-	-	-
11	Donation Paid			1,01.19	78.97	-	-	-	-
12	Trade Receivables*	51.54	84.40	40,52.57	17,66.40	-	-	-	-
13	Other Receivables*		56.43	5,18.79	7,13.68	-	-	5,81.17	5,06.95
14	Trade Payables*	-	-	(29,13.14)	(44,70.55)	-	-	(3,97.26)	(4,85.93)
15	Outstanding deposits *	-	-	39.00	39.00	-	-	-	-
16	Bonus share issued (No. of shares)	-	-	-	2,85,64,000	-	-	-	-
17	Contribution to Post employment benefit plans	-	-	-	-	1,83.43	11,06.99	-	-

* Closing Balance

(e) Loans to/from related parties

Particulars	March 31, 2018	March 31, 2017
Loans to Key Management Personnel		
Beginning of the year	250.00	110.00
Loans advanced	90.00	200.00
Loan repayments received	-	(60.00)
Interest charged	10.35	6.60
Interest received	(10.35)	(6.60)
End of the year	**340.00**	250.00

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

(f) Terms and conditions

(i) All related party transactions entered during the year were in ordinary course of business and on arms length basis.

(ii) Transactions relating to dividends, subscriptions for new equity shares were on the same terms and conditions that applied to other shareholders.

(iii) The terms and conditions of the loans to Key Managerial Personnel are as per the policy of the Company.

(iv) All other transactions were made on normal commercial terms and conditions and at market rates. The average interest rate on the other loans during the year was 10% (March 31, 2017 - 10%).

(v) All outstanding balances are unsecured and are repayable in cash.

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

The accompanying notes (1 to 49) are an integral part of the financial statements.

As per our Report of even date	For and on behalf of Board of Directors of Grindwell Norton Limited		
For Price Waterhouse Chartered Accountants LLP Firm Registration No. 012754N / N500016 Chartered Accountants	Pradip Shah	Chairman	DIN 00066242
	Anand Mahajan	Managing Director	DIN 00066320
Sachin Parekh Partner Membership No. 107038	Deepak Chindarkar	Chief Financial Officer	
	K. Visweswaran	Company Secretary	
Mumbai: May 30, 2018	Mumbai: May 30, 2018		