



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

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 – 400059. The Company is one of the subsidiary of Compagnie de Saint – Gobain ("Saint Gobain"), a transnational group with its headquarters in Paris. The Company's businesses are a part of the High Performance Materials sector. In the Company, the businesses are divided into two major segments:

1. Abrasives; and
2. Ceramics and Plastics

The financial statements of the Company for the year ended March 31, 2020 were authorized for issue in accordance with a resolution of the Board of Directors on May 20, 2020.

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), 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 measured at fair value; and
- Share based payments calculated using the Black and Scholes option pricing model for the shares of Ultimate Parent Company

(iii) New standard adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2019.

Ind AS 116 "Leases" (Refer Note 1.3 – R and Note 44(iii)).

Uncertainty over income tax treatments, Appendix C to Ind AS 12, Income Taxes. The adoption has no material impact on these financial statements.

(iv) 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.

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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.

(ii) Subsequent Expenditure:

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

(iii) Depreciation:

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

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

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

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



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(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

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

D. Inventories

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

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

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

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

E. Investments and other financial assets

(i) Classification

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

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

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

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

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

(ii) Measurement

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

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

Equity instruments

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

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

(iii) Derecognition

A financial asset is derecognised only when,

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

F. Cash and cash equivalents

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



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G. Financial Liabilities

(i) Measurement

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

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

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

(ii) Derecognition

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

H. Foreign currency translation

(i) Functional and presentation currency:

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

(ii) Transactions and balances

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

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

I. Forward contracts – Not Designated as Hedges

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

J. Revenue recognition

(i) Sale of goods

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

(ii) Service income

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

(iii) Dividend

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

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(iv) Interest income

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

(v) Other operating income

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

K. Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

Post-employment obligations

The Company operates the following post-employment schemes:

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

Defined Benefit Plan - Gratuity obligations

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

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

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

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



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Defined contribution plans

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

(iii) Share-based payments

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

(iv) Termination benefits

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

L. Borrowing Costs

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

M. Income Tax

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

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

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

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

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

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

N. Provisions and Contingencies

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

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

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

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

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

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

O. Earnings per share

- (i) Basic earnings per share

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

- (ii) Diluted earnings per share

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

P. Segment reporting

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

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

Q. Government grants

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

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

R. Leases

As a lessee

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

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

The Company recognises a right-of-use asset and a corresponding lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date,



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discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Country, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

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

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

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

Until March 31, 2019;

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. The respective leased assets are included in the balance sheet based on their nature.

S. Offsetting financial instruments

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

T. Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs, with up to 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.

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Judgment, estimates and assumptions are required in particular for:

a) Determination of the estimated useful lives of tangible assets

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

b) Recognition and measurement of defined benefit obligations

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

c) 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.

d) 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.

e) 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.

f) Sales Incentives 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.

g) Determination of lease term

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

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

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

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(All amounts in ₹ lakhs, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

	Land - Freehold	Land - Leasehold	Buildings #	Leasehold Improvements	Plant and Machinery	Electrical Installations and Equipments	Laboratory Equipments	Computers	Furniture and Fixtures	Office Equipment	Vehicles	Total
Gross carrying amount:												
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
Additions	-	-	4,86.31	-	33,10.03	39.11	5.24	3,43.76	2,99.38	1,02.49	1,43.55	47,29.87
Deductions	-	-	(16.46)	(5.77)	(50.99)	-	-	(28.62)	(10.86)	(5.77)	(52.40)	(1,70.87)
As at March 31, 2019	19,01.35	78.41	122,82.87	10,01.21	282,19.71	2,81.28	1,57.20	13,71.64	12,83.07	6,07.91	2,89.46	474,74.11
Additions	-	-	11,95.85	-	44,78.25	1,13.32	12.49	2,56.83	1,09.75	1,54.86	1,00.74	64,22.09
Deductions	-	-	-	-	(89.97)	-	-	(4.00)	(0.82)	(2.55)	(61.71)	(1,59.05)
Reclassification*	-	(78.41)	-	-	-	-	-	-	-	-	-	(78.41)
As at March 31, 2020	19,01.35	-	134,78.72	10,01.21	326,07.99	3,94.60	1,69.69	16,24.47	13,92.00	7,60.22	3,28.49	536,58.74
Accumulated Depreciation :												
As at March 31, 2018	-	-	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
Depreciation for 2018-19	-	2.92	4,17.29	1,29.38	30,46.33	25.62	15.56	2,75.04	1,29.58	90.99	30.89	41,61.63
On Deductions	-	0.95	(0.77)	(4.99)	(29.09)	-	-	(28.61)	(6.20)	(5.75)	(29.00)	(1,04.41)
As at March 31, 2019	-	3.87	17,31.71	4,44.98	112,32.62	61.20	44.75	9,09.18	5,57.88	3,81.32	77.55	154,45.06
Depreciation for the year	-	-	4,49.17	1,16.67	32,64.41	31.06	16.55	2,91.73	1,34.58	1,02.88	41.10	44,48.15
On Deductions	-	-	-	-	(60.94)	-	-	(3.99)	(0.81)	(2.01)	(33.62)	(1,01.37)
Reclassification*	-	(3.87)	-	-	-	-	-	-	-	-	-	(3.87)
As at March 31, 2020	-	-	21,80.88	5,61.65	144,36.09	92.26	61.30	11,96.92	6,91.65	4,82.19	85.03	197,87.97
Net Carrying amount												
As at March 31, 2019	19,01.35	74.54	105,51.16	5,56.23	169,87.09	2,20.08	1,12.45	4,62.46	7,25.19	2,26.59	2,11.91	320,29.05
As at March 31, 2020	19,01.35	-	112,97.84	4,39.56	181,71.90	3,02.34	1,08.39	4,27.55	7,00.35	2,78.03	2,43.46	338,70.77

* Includes an amount of ₹ 750.00 (March 31, 2019 - ₹ 750.00) representing the value of shares in a co-operative housing society.

CAPITAL WORK-IN-PROGRESS

March 31, 2019	41,99.49
March 31, 2020	28,80.01

Note - Capital work-in-progress mainly comprises of plant and machinery.

3A RIGHT-OF-USE ASSET

	Land	Building	Total
Gross carrying amount:			
As at April 1, 2019*	78.41	30,07.35	30,85.76
As at March 31, 2020	78.41	30,07.35	30,85.76
Accumulated Depreciation :			
Reclassification*	3.87	-	3.87
Depreciation for the year	0.95	9,99.86	10,00.81
As at March 31, 2020	4.82	9,99.86	10,04.68
Net Carrying amount			
As at April 1, 2019	78.41	30,07.35	30,85.76
As at March 31, 2020	73.59	20,07.49	20,81.08

*Consequent to adoption of Ind AS 116. Refer Note 44 (iii)

4 INTANGIBLE ASSETS

	Computer Software	Trade Marks	Non-Compete Fees and Marketing Network	Total	Goodwill
Gross carrying amount:					
As at March 31, 2018	3,68.62	23.97	1,17.90	5,10.49	48.80
Additions	10.45	-	-	10.45	-
As at March 31, 2019	3,79.07	23.97	1,17.90	5,20.94	48.80
Additions	10.27	-	-	10.27	-
As at March 31, 2020	3,89.34	23.97	1,17.90	5,31.21	48.80
Accumulated Amortisation :					
As at March 31, 2018	2,92.98	-	1,17.90	4,10.88	-
Amortisation for 2018-19	60.08	-	-	60.08	-
As at March 31, 2019	3,53.06	-	1,17.90	4,70.96	-
Amortisation for the year	16.68	-	-	16.68	-
As at March 31, 2020	3,69.74	-	1,17.90	4,87.64	-
Net Carrying amount					
As at March 31, 2019	26.01	23.97	-	49.98	48.80
As at March 31, 2020	19.60	23.97	-	43.57	48.80

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2020	March 31, 2019
5 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS		
<u>Quoted Investments</u>		
<u>Investment in Government Securities (at Amortised cost)</u>		
8.20% 10 Years NHA I Tax Free Bonds	74.17	74.17
<u>Unquoted Investments</u>		
<u>Investment in Equity Instruments (at Fair Value through Other Comprehensive Income)</u>		
John Oakey & Mohan Ltd.	0.16	0.16
1,900 (March 31, 2019 : 1,900) equity shares of ₹ 10/- each fully paid up Andhra Pradesh Gas Power Corporation Ltd.	6,75.00	9,60.00
21,86,880 (March 31, 2019 : 21,86,880) equity shares of ₹ 10/- each fully paid up Shivalik Solid Waste Management Ltd.	2.00	2.00
20,000 (March 31, 2019 : 20,000) equity shares of ₹ 10/- each fully paid up In Fellow Subsidiaries :		
Saint-Gobain India Pvt. Ltd.	132,23.00	143,88.00
28,50,074 (March 31, 2019 : 28,50,074) equity shares of ₹ 10/- each fully paid up Saint-Gobain India Foundation	0.01	0.01
100 (March 31, 2019 : 100) equity shares of ₹ 10/- each fully paid up		
<u>Investment in Equity Instruments (at cost)</u>		
<u>In Subsidiaries :</u>		
Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	20,34.36	20,34.36
20,29,597 (March 31, 2019 : 20,29,597) equity shares of Bhutanese Ngultrum 100/- each fully paid up		
<u>In Joint ventures :</u>		
SG Shinagawa Refractories India Private Limited	11,27.00	-
1,12,70,000 (March 31, 2019 : Nil) equity shares of ₹ 10/- each fully paid up		
<u>Investment in Mutual Funds (at Fair Value through Profit and Loss)</u>	17,78.43	16,26.76
	189,14.13	190,85.46
Aggregate amount of quoted investments	74.17	74.17
Aggregate market value of quoted investments	80.27	80.85
Aggregate amount of unquoted investments	188,39.96	190,11.29
6 NON-CURRENT FINANCIAL ASSETS - LOANS		
<u>Loans Receivables considered good - Unsecured</u>		
Loan to Director	-	2,17.70
Loan to Employees	1,09.04	1,25.77
Security Deposits	10,54.21	9,52.98
	11,63.25	12,96.45



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2020	March 31, 2019
7 NON-CURRENT - OTHER FINANCIAL ASSETS		
<u>Unsecured - considered good</u>		
Bank Deposits	12.61	-
(Deposit with maturity of more than 12 months)		
<u>Unsecured and considered doubtful</u>		
Advances recoverable in cash or in kind	40.49	40.49
Less: Provision for doubtful advances	(40.49)	(40.49)
	12.61	-
8 OTHER NON-CURRENT ASSETS		
Capital Advances	3,71.73	7,95.80
Advances other than capital advances:		
- Deposits with Government Authorities	1,18.71	93.94
- Prepaid Expenses	14.62	11.51
Deferred Rent Asset	-	75.81
Balance with Government Authorities	3,37.51	4,73.64
	8,42.57	14,50.70
9 CURRENT ASSETS - INVENTORIES		
(The mode of valuation of inventories has been stated in Note : 1.3 (D))		
Raw Materials	86,31.87	122,41.74
Raw Materials in Transit	37,20.15	28,55.39
Work-in-Progress	83,31.40	69,58.80
Finished Goods *	53,26.68	64,20.46
Stock in Trade	20,46.36	23,53.77
Stores and Spares	12,92.08	12,27.14
Loose Tools	11.69	4.08
	293,60.23	320,61.38

* Includes in transit - ₹ 7,50.51 lakhs (March 31, 2019 - ₹ 7,29.96 lakhs)

As part of the Company's internal control procedures in respect of Inventory, the management has conducted physical verification of inventory covering all locations (with involvement of external firm of chartered accountants at certain locations) and performed other procedures to obtain comfort over the quantity and condition of inventories as at March 31, 2020.

	March 31, 2020	March 31, 2019
10 CURRENT FINANCIAL ASSETS - INVESTMENTS		
<u>Unquoted Investments</u>		
Investment in Mutual Funds (at Fair Value through Profit and Loss)	413,89.37	12,13.72
	413,89.37	12,13.72
11 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
<u>Considered good - Unsecured</u>		
Trade Receivables	146,19.89	187,05.74
Receivables from Related Parties (Refer Note No. 47)*	60,45.39	21,09.38
	206,65.28	208,15.12
Less: Loss Allowance	(6,02.59)	(6,17.31)
	200,62.69	201,97.81

*This includes ₹ 8,53.49 lakhs (March 31, 2019 - ₹ 1,65.30 lakhs) due from a Private Company in which the Director of the Company is a Director.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2020	March 31, 2019
12 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS		
Balances with Banks		
- in Current Accounts	5,07.39	13,31.69
- in Deposit Accounts with maturity of less than 3 months	-	12.25
Cash on hand	23.58	24.18
Liquid Investments - Mutual Funds	-	214,77.84
	5,30.97	228,45.96
13 CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Balances with Banks		
- Margin Money Deposits (Security for Bank Guarantees and Lien with Excise Authorities)	33.87	33.87
Unpaid Dividend	1,27.54	1,24.50
	1,61.41	1,58.37
14 CURRENT FINANCIAL ASSETS - LOANS		
<u>Loans Receivables considered good - Unsecured</u>		
Loan to Director	2,14.38	52.28
Loan to Employees	49.90	49.14
Security Deposits	45.94	89.63
	3,10.22	1,91.05

14.1 The Company has not provided any loans and advances in the nature of loans to its Subsidiary during the year (March 31, 2019 - ₹ Nil) and hence disclosure requirement under regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, is not applicable.

	March 31, 2020	March 31, 2019
15 CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS		
Derivatives- Foreign-exchange forward contracts	-	5,02.34
Employee Advances	1,97.87	2,03.08
Others*	10,68.82	17,17.44
	12,66.69	24,22.86

*Includes receivable from Related Parties - ₹ 10,21.64 lakhs (March 31, 2019 - ₹ 15,75.76 lakhs)

	March 31, 2020	March 31, 2019
16 OTHER CURRENT ASSETS		
Prepaid expenses	1,41.60	1,55.01
Gratuity (Refer Note No. 34.1)	-	37.43
Deferred Rent Assets	-	10.19
Balances with Government Authorities	15,74.66	25,18.04
Export benefit receivable	4,97.17	5,25.45
Advances to Suppliers*	16,49.24	17,63.90
	38,62.67	50,10.02

*Includes advance to Related Parties - ₹ 36.11 lakhs (March 31, 2019 - ₹ 1,88.33 lakhs)



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

17 EQUITY SHARE CAPITAL AUTHORISED

11,20,00,000 (March 31, 2019 : 11,20,00,000) Equity Shares of ₹ 5/- each

ISSUED, SUBSCRIBED AND PAID UP

11,07,20,000 (March 31, 2019 : 11,07,20,000) Equity Shares of ₹ 5/- each, fully paid-up

March 31, 2020	March 31, 2019
56,00.00	56,00.00
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;

	As at March 31, 2020		As at March 31, 2019	
	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) Movement in Equity Share Capital :

Authorised Share Capital

	Number of shares	Equity share capital (par value)
As at March 31, 2018	11,20,00,000	5,600.00
Increased during the year	-	-
As at March 31, 2019	11,20,00,000	5,600.00
Increased during the year	-	-
As at March 31, 2020	11,20,00,000	5,600.00

Issued and paid-up Share Capital

	Number of shares	Equity share capital (par value)
As at March 31, 2018	11,07,20,000	5,536.00
Shares issued during the year	-	-
As at March 31, 2019	11,07,20,000	5,536.00
Shares issued during the year	-	-
As at March 31, 2020	11,07,20,000	5,536.00

(c) 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.

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2020	March 31, 2019
18 OTHER EQUITY		
Reserves and Surplus (Refer Note 18 (a))	1,019,28.87	919,00.38
Other Reserves (Refer Note 18 (b))	102,01.86	112,46.47
	1,121,30.73	1,031,46.85
18(a) RESERVES AND SURPLUS		
Securities Premium	27,90.82	27,90.82
General Reserve	402,01.34	402,01.34
Retained Earnings	589,36.71	489,08.22
	1,019,28.87	919,00.38
i) SECURITIES PREMIUM		
Opening Balance	27,90.82	27,90.82
	27,90.82	27,90.82
ii) GENERAL RESERVE		
Opening Balance	402,01.34	402,01.34
	402,01.34	402,01.34
iii) RETAINED EARNINGS		
Opening Balance	489,08.22	391,13.23
Net profit for the period	182,95.28	163,83.88
<u>Items of other comprehensive income recognised directly in retained earnings</u>		
Remeasurement of post employment benefit obligation (net of tax)	(2,58.06)	85.05
<u>Appropriations</u>		
Dividend	(66,43.20)	(55,36.00)
[Dividend per share ₹ 6/- (Previous Year - ₹ 5/-)]		
Dividend Distribution Tax	(13,65.53)	(11,37.94)
	589,36.71	489,08.22

18(b) OTHER RESERVES

	FVOCI Equity Investments Reserve	Stock Compensation Reserve	Revaluation Reserve	Total
As at March 31, 2018	99,25.17	3,82.07	3,35.34	106,42.58
Equity instruments at fair value (net of tax)	4,43.24	-	-	4,43.24
Share based payments	-	1,60.65	-	1,60.65
As at March 31, 2019	103,68.41	5,42.72	3,35.34	112,46.47
Equity instruments at fair value (net of tax)	(12,06.18)	-	-	(12,06.18)
Share based payments	-	1,61.57	-	1,61.57
As at March 31, 2020	91,62.23	7,04.29	3,35.34	102,01.86



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Nature and purpose of reserves:

(i) Securities Premium

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

(ii) General Reserve

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

(iii) FV OCI - Equity Investments Reserve

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

(iv) Stock Compensation Reserve

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

(v) Revaluation Reserve

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

19 NON-CURRENT FINANCIAL LIABILITIES

Lease liabilities (Refer Note 44 (iii))

10,85.88

March 31, 2019

-

10,85.88

-

20 NON-CURRENT LIABILITIES - PROVISIONS

Compensated Absence (Refer Note 26.1)

22,97.33

20,31.52

22,97.33

20,31.52

21 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities

The balance comprises temporary differences attributable to:

Depreciation

20,88.58

32,23.73

Financial assets at FVOCI

7,98.03

10,41.85

Total Deferred tax Liabilities

28,86.61

42,65.58

Deferred tax asset

The balance comprises temporary differences attributable to:

Provision for employee benefits

(11,41.18)

(12,51.95)

Others

(2,11.28)

(2,93.21)

Total Deferred tax asset

(13,52.46)

(15,45.16)

15,34.15

27,20.42

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Movement in Deferred Tax Liabilities

	Depreciation	Provision for employee benefits	Financial Assets at FVOCI	Others	Total
As at March 31, 2018	33,82.50	(12,03.19)	9,97.09	(5,81.44)	25,94.96
Charged/(credited):					
- to profit and loss	(1,58.77)	(48.76)	-	2,88.23	80.70
- to other comprehensive income	-	-	44.76	-	44.76
As at March 31, 2019	32,23.73	(12,51.95)	10,41.85	(2,93.21)	27,20.42
Charged/(credited):					
- to profit and loss	(11,35.15)	1,10.77	-	81.93	(9,42.45)
- to other comprehensive income	-	-	(2,43.82)	-	(2,43.82)
As at March 31, 2020	20,88.58	(11,41.18)	7,98.03	(2,11.28)	15,34.15

22 NON-CURRENT LIABILITIES - OTHER NON-CURRENT LIABILITIES

Deferred Income Liability

March 31, 2020

March 31, 2019

97.21

1,25.55

97.21

1,25.55

23 CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES

Lease Liabilities (Refer Note 44 (iii))

9,55.09

-

9,55.09

-

24 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

Total outstanding due to Micro Enterprises and Small Enterprises (Refer Note 24.1)

2,22.21

2,14.82

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

166,01.95

145,95.91

Total outstanding due to Related Parties (Refer Note 47)

59,49.33

32,48.45

227,73.49

180,59.18

24.1 Due to Micro and Small Enterprises:

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

- the principal amount remaining unpaid to the supplier at the end of each accounting year;
- the interest due thereon and remaining unpaid to the supplier at the end of each accounting year;
- the principal amount paid by the buyer during the year to the supplier beyond the appointed day;
- the amount of interest paid by the buyer during the year in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006);
- the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;

March 31, 2020

March 31, 2019

2,22.21

2,14.82

0.49

1.94

3,66.12

44.61

2.79

7.54

7.86

0.85



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2020	March 31, 2019
f) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	8.35	2.79
g) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
h) Interest paid/payable in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 debited to statement of profit and loss.	8.35	2.79
25 CURRENT - OTHER FINANCIAL LIABILITIES		
Trade / Security Deposits	9,95.32	9,71.78
Unclaimed Dividend *	1,27.54	1,24.50
Commission due to directors	3,17.50	3,29.50
Payable for Discounts to Dealers	13,04.16	10,34.81
Derivatives- Foreign-exchange forward contracts	2,47.36	-
Capital Creditors	3,25.25	6,02.21
Employee related payables	15,58.43	19,47.85
	48,75.56	50,10.65
* There is no amount due and outstanding to be credited to the Investor Education and Protection Fund.		
26 CURRENT LIABILITIES - PROVISIONS		
Compensated Absence (Refer Note 26.1)	10,47.76	7,39.90
Gratuity (Refer Note 34.1)	2,41.31	-
Others (Refer Note 26.2)	10,83.18	8,83.08
	23,72.25	16,22.98
26.1 DETAILS OF PROVISION FOR COMPENSATED ABSENCE		
Opening Balance - Long Term	20,31.52	19,60.95
Opening Balance - Short Term	7,39.90	6,70.90
Provision made during the year	8,36.09	3,46.96
Utilisation during the year	(2,62.42)	(2,07.39)
Closing Balance - Long Term	22,97.33	20,31.52
Closing Balance - Short Term	10,47.76	7,39.90
26.2 DETAILS OF OTHER PROVISIONS		
Opening Balance	8,83.08	9,28.66
Provision made during the year	3,74.42	2,72.97
Utilisation during the year	(1,74.32)	(3,18.55)
Closing Balance	10,83.18	8,83.08

The Company has made provisions 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2020	March 31, 2019
27 CURRENT TAX LIABILITIES		
Income Tax (Net of advance tax)	5,27.08	8,61.06
	5,27.08	8,61.06
28 OTHER CURRENT LIABILITIES		
Statutory Liabilities	14,73.49	16,53.43
Deferred Income Liability	28.33	32.76
Contract Liability-Advance from customer	11,14.45	14,60.70
	26,16.27	31,46.89
29 REVENUE FROM OPERATIONS		
Sale of products (Refer note 29.1)	1,429,16.08	1,447,21.85
Service Income	110,77.93	104,77.03
Other operating revenue	12,41.42	14,86.20
	1,552,35.43	1,566,85.08
29.1 Sale of products		
Abrasives	910,87.03	967,55.12
Ceramics & Plastics	468,99.80	436,50.43
Others	49,29.25	43,16.30
	1,429,16.08	1,447,21.85

The sales value mentioned above includes sale of trading goods of ₹ 146,41.19 lakhs (March 31, 2019 - ₹ 116,96.13 lakhs)

	March 31, 2020	March 31, 2019
29.2 Reconciliation of revenue recognised with contract price		
Revenue from contracts with customers at Contract Price	1,555,42.70	1,567,10.87
Less : Discounts on Sale of Products	15,48.69	15,11.99
	1,539,94.01	1,551,98.88
Other operating revenue	12,41.42	14,86.20
Revenue from operations	1,552,35.43	1,566,85.08
30 OTHER INCOME		
Interest income	71.72	95.10
Dividend Income	3,85.62	-
Interest Income on defined benefit obligation (net)	2.90	-
Net gain on financial instruments measured at fair value through profit and loss:		
- Gain on redemption of Mutual Fund	15,96.71	17,18.45
- Changes in fair value	5,70.27	1,04.72
Interest income from financial assets at amortised cost	18.15	18.83
Unwinding of discount on security deposits	46.66	25.98
Net gain on foreign currency transactions	9,99.89	4,74.68
Other Non-operating income	9,24.86	13,29.29
	46,16.78	37,67.05



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2020	March 31, 2019
31 COST OF MATERIALS CONSUMED		
Opening Stock of		
Raw Materials	122,41.74	93,11.17
Raw Materials in Transit	28,55.39	31,58.83
	150,97.13	124,70.00
Add : Purchases	579,66.76	673,75.10
Less: Closing Stock of		
Raw Materials	(86,31.87)	(122,41.74)
Raw Materials in Transit	(37,20.15)	(28,55.39)
	(123,52.02)	(150,97.13)
	607,11.87	647,47.97
32 PURCHASE OF STOCK IN TRADE		
Abrasives	73,93.98	62,93.29
Ceramics & Plastics	34,40.66	25,27.51
Others	14,02.56	20,90.91
	122,37.20	109,11.71
33 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS		
Opening stock of		
Finished Goods	64,20.46	53,00.43
Traded Goods	23,53.77	22,74.88
Work-In-Progress	69,58.80	52,50.26
	157,33.03	128,25.57
Closing stock of		
Finished Goods	53,26.68	64,20.46
Traded Goods	20,46.36	23,53.77
Work-In-Progress	83,31.40	69,58.80
	157,04.44	157,33.03
	28.59	(29,07.46)
34 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	172,10.19	159,22.96
Share Based Payments	1,61.57	1,60.65
Contribution to provident and other funds and Gratuity (Refer Note 34.1)	14,55.26	13,30.41
Staff welfare	13,54.14	15,40.31
	201,81.16	189,54.33
34.1 Disclosure as required under Ind AS 19 - Employee Benefits		
I. Defined Contribution Plans:		
Contribution to defined contribution plans, recognised as expense for the year are as under:		
Employer's Contribution to Provident Fund	7,93.85	6,52.01
Employer's Contribution to Superannuation Fund	1,20.65	1,15.75

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

ii. Defined Benefit Plans:

Contribution to Gratuity Fund

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

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2020:

	March 31, 2020	March 31, 2019
i) Change in present value of defined benefit obligation		
Present Value of defined benefit obligation at the beginning of the year	60,33.45	55,79.90
Interest Cost	4,67.59	4,34.12
Current service cost	4,71.78	4,41.29
Benefits paid	(1,73.12)	(2,78.03)
Remeasurements		
Actuarial changes arising from changes in financial assumptions	1,47.09	(1,65.07)
Actuarial changes arising from experience assumptions	1,83.44	21.24
Present Value of defined benefit obligation at the end of the year	71,30.23	60,33.45
ii) Change in fair value of plan assets		
Fair Value of plan assets at the beginning of the year	60,70.88	50,67.30
Interest Income	4,70.49	3,94.24
Contributions paid by the employer	5,34.99	9,00.47
Benefits paid from the fund	(1,73.12)	(2,78.03)
Remeasurements		
Return on plan assets, excluding amounts included in interest (expense)/income	(14.32)	(13.10)
Fair Value of plan assets at the end of the year	68,88.92	60,70.88
iii) Net asset / (liability) recognised in the Balance Sheet		
Present Value of defined benefit obligation at the end of the year	71,30.23	(60,33.45)
Fair Value of plan assets at the end of the year	68,88.92	60,70.88
Amount recognised in the balance sheet	(2,41.31)	37.43
Net Asset / (Liability) recognised - current	(2,41.31)	37.43
Net Asset / (Liability) recognised - non current	-	-
iv) Expense recognised in the Statement of Profit and Loss for the year		
Current service cost	4,71.78	4,41.29
Interest cost on defined benefit obligation	(2.90)	39.88
Total expenses included in statement of profit and loss	4,68.88	4,81.17
v) Recognised in Other Comprehensive Income for the year		
Actuarial changes arising from changes in financial assumptions	1,47.09	(1,65.07)
Actuarial changes arising from experience assumptions	1,83.44	21.24
Actuarial Losses/(Gains) on Obligation for the period	3,30.53	(1,43.83)
Return on plan assets, excluding amounts included in interest income	14.32	13.11
Recognised in other comprehensive income	3,44.85	(1,30.72)



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2020	March 31, 2019
vi) Actuarial Assumptions		
Expected return on plan assets	6.84%	7.75%
Rate of Discounting	6.84%	7.75%
Rate of Salary Increase	9.00%	9.50%
Rate of Employee Turnover		5.00%
	For service period 4 years and below 8.00% p.a.	
	For service period 5 years and above 5.00% p.a.	
Mortality Rate During Employment	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08
vii) Sensitivity Analysis		
Projected Benefit Obligation on Current Assumptions	71,30.23	60,33.45
Delta Effect of +0.5% Change in Rate of Discounting	(1,95.77)	(1,68.89)
Delta Effect of -0.5% Change in Rate of Discounting	2,08.82	1,79.92
Delta Effect of +0.5% Change in Rate of Salary Increase	2,03.59	1,76.12
Delta Effect of -0.5% Change in Rate of Salary Increase	(1,92.87)	(1,67.01)
Delta Effect of +0.5% Change in Rate of Employee Turnover	(29.75)	(21.57)
Delta Effect of -0.5% Change in Rate of Employee Turnover	31.16	22.53
Methodology Adopted for Asset Liability Management (ALM)	Projected Unit Credit Method	Projected Unit Credit Method

Usefulness and Methodology adopted for Sensitivity analysis:

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

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

viii) Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 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, 2020	March 31, 2019
1st Following Year	15,87.87	11,23.45
2nd Following Year	7,69.50	8,35.28
3rd Following Year	6,46.07	3,95.33
4th Following Year	3,68.93	5,87.59
5th Following Year	5,22.59	3,49.41
Sum of Years 6 To 10	29,26.57	26,73.44
Sum of Years 11 and above	50,42.11	50,44.27

ix) Major categories of plan assets are as follows:

Insurer managed funds	68,88.92	60,70.88
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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

x) Risk exposure:

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

	March 31, 2020	March 31, 2019
35 FINANCE COSTS		
Interest Expense	1,66.84	1,08.57
Interest Cost on defined benefit obligation(net)	-	39.88
Interest Expense on Lease Liabilities	2,61.13	-
	4,27.97	1,48.45
36 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of Property, Plant and Equipment	44,48.15	41,61.63
Depreciation of Right-of-use assets	10,00.81	-
Amortisation of Intangible Assets	16.68	60.08
	54,65.64	42,21.71
37 OTHER EXPENSES		
Consumption of Stores and Spares	35,49.54	38,85.03
Processing charges	33,93.68	34,60.64
Power & Fuel (Refer Note 37.3)	66,53.41	63,12.46
Freight, Octroi and packing expenses	86,93.16	93,47.98
Rent /Lease payment	3,84.56	13,29.84
Repairs & Maintenance		
Building	36.01	22.85
Machinery	2,05.77	1,91.99
Others	2,02.99	3,12.77
	4,44.77	5,27.61
Insurance	1,64.85	1,49.41
Rates and Taxes	3,35.35	1,37.53
Travelling & Conveyance	17,38.59	20,42.26
Commission	4,13.05	3,07.11
Royalties	28,02.45	29,56.92
Loss on assets discarded /sold (net)	9.49	35.80
External Service charges	46,39.88	48,73.98
Provision for Doubtful Debts & Advances	(14.72)	32.11
Miscellaneous expenses (Refer Note 37.1 & 37.2)	36,54.94	36,67.23
	368,63.00	390,65.91
37.1 Miscellaneous expenses include		
Amounts paid to Auditors:		
(i) Audit Fees	26.99	23.00
(ii) Tax Audit	2.00	2.00
(iii) Certification	0.75	2.25
(iv) Reimbursement of expenses	1.20	1.88
37.2 Corporate social responsibility expenditure		

(a) Amount prescribed under the Act, to be spent during the year on CSR activities is ₹ 4,19.58 lakhs (March 31, 2019 - ₹ 3,59.79 lakhs)

(b) The contribution during the year to Saint Gobain India Foundation (Related Party as per Ind AS 24) is ₹ 1,12.68 lakhs (March 31, 2019 - ₹ 1,13.65 lakhs) which is spent on purposes other than Construction / acquisition of any assets.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

37.3 Pursuant to the judgement received in the month of December 2019 from Honourable Supreme Court of India on batch of appeals, (including where Company is one of respondents), pertaining to the year 2002-03 and onwards, the Company, considering the legal advice, has estimated and provided ₹ 9,40 lakhs towards additional power cost during the year.

	March 31, 2020	March 31, 2019
38 TAX EXPENSE		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	65,83.95	88,44.93
Total current tax expense	65,83.95	88,44.93
Deferred tax		
Decrease / (increase) in deferred tax assets	1,92.70	2,39.47
(Decrease) / increase in deferred tax liabilities	(11,35.15)	(1,58.77)
Total deferred tax expense/(benefit)	(9,42.45)	80.70
Income tax expense	56,41.50	89,25.63
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	239,36.78	253,09.51
Tax at the Indian tax rate of 25.17 % (2018-2019 – 34.94%)	60,24.89	88,44.16
Impact of change in tax rate	(4,09.13)	-
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Corporate social responsibility expenditure (net of 80G benefit)	17.50	27.47
Interest income from interest free bond exempt under section 10(34)	(1.53)	(2.13)
Other items	40.66	56.13
Dividend Income from Subsidiaries - Taxable at special rates	(30.89)	-
Income Tax Expense	56,41.50	89,25.63
39 EARNINGS PER SHARE		
(a) Basic earnings per share		
Basic earnings per share attributable to the equity shares holders of the Company (₹)	16.52	14.80
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity shares holders of the Company (₹)	16.52	14.80
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share (₹)	16.52	14.80
Profit attributable to equity holders of the company used in calculating basic earnings per share	182,95.28	163,83.88
Diluted earnings per share (₹)	16.52	14.80
Profit attributable to equity holders of the company used in calculating diluted earnings per share	182,95.28	163,83.88
(d) Weighted average number of equity shares used as the denominator in calculating Basic earnings per share	11,07,20,000	11,07,20,000
Adjustments for calculation of diluted earnings per share:	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	11,07,20,000	11,07,20,000

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

40 FAIR VALUE MEASUREMENTS

Financial instruments by category

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2020			March 31, 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	-	139,00.17	-	-	153,50.17	-
- Mutual funds	431,67.80	-	-	243,18.32	-	-
- Government Securities	-	-	74.17	-	-	74.17
Trade receivables	-	-	200,62.69	-	-	201,97.81
Loan to directors	-	-	2,14.38	-	-	2,69.98
Loan to employees	-	-	1,58.94	-	-	1,74.91
Cash and Bank Balances	-	-	7,04.99	-	-	15,26.49
Security deposits	-	-	11,00.15	-	-	10,42.61
Employee Advances	-	-	1,97.87	-	-	2,03.08
Foreign-Exchange Forward Contracts	-	-	-	5,02.34	-	-
Other receivables (Unsecured)	-	-	10,68.82	-	-	17,17.44
Total financial assets	431,67.80	139,00.17	235,82.01	248,20.66	153,50.17	252,06.49
Financial liabilities						
Trade / Security Deposits	-	-	9,95.32	-	-	9,71.78
Unclaimed Dividend	-	-	1,27.54	-	-	1,24.50
Trade payables	-	-	227,73.49	-	-	180,59.18
Capital creditors	-	-	3,25.25	-	-	6,02.21
Foreign-Exchange Forward Contracts	2,47.36	-	-	-	-	-
Other financial liabilities	-	-	31,80.09	-	-	33,12.16
Total financial liabilities	2,47.36	-	274,01.69	-	-	230,69.83

(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, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

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

As at March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL:					
Mutual Funds	5, 10	431,67.80	-	-	431,67.80
Financial Investments at FVOCI:					
Unquoted Equity Investments	5	-	-	139,00.17	139,00.17
Total financial assets		431,67.80	-	139,00.17	570,67.97
Financial liabilities					
Derivatives not designated as hedges					
Foreign-Exchange Forward Contracts	25	-	2,47.36	-	2,47.36
Total financial liabilities		-	2,47.36	-	2,47.36

(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, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Government securities	5	80.27	-	-	80.27
Loans					
Loans to employees	6, 14	-	-	1,38.87	1,38.87
Loan to directors	6, 14	-	-	2,15.63	2,15.63
Security deposits	6, 14	-	-	10,50.33	10,50.33
Total Financial Assets		80.27	-	14,04.83	14,85.10
Total Financial Liabilities		-	-	-	-

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

As at March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investments at FVTPL:					
Mutual Funds	5, 10, 12	243,18.32	-	-	243,18.32
Financial Investments at FVOCI:					
Unquoted Equity Investments	5	-	-	153,50.17	153,50.17
Derivatives not designated as hedges					
Foreign-Exchange Forward Contracts	15	-	5,02.34	-	5,02.34
Total Financial Assets		243,18.32	5,02.34	153,50.17	401,70.83
Total Financial Liabilities		-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(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, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Government securities	5	80.85	-	-	80.85
Loans					
Loans to employees	6, 14	-	-	1,46.00	1,46.00
Loan to directors	6, 14	-	-	2,31.56	2,31.56
Security deposits	6, 14	-	-	10,86.62	10,86.62
Total Financial Assets		80.85	-	14,64.18	15,45.03
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.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table represents the changes in level 3 items for the period ended March 31, 2020 & March 31, 2019.

Unquoted Equity Shares

As on March 31, 2018	148,62.17
Acquisitions	-
Gains (Net) recognised in other comprehensive income	4,88.00
As on March 31, 2019	153,50.17
Acquisitions	-
Loss recognised in other comprehensive income	(14,50.00)
As on March 31, 2020	139,00.17

(iv) Valuation inputs and relationships to fair value

Particulars	Fair value as at		Significant Unobservable Inputs	Probable - weighted range		Sensitivity
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019	
Unquoted equity shares: Saint-Gobain India Pvt. Ltd. (SGIPL)	132,23.00	143,88.00	Long term growth rate for cash flows for subsequent years	4% - 6% (5%)	4% - 6% (5%)	1% Increase in the long-term growth rate would result in increase in stake value to ₹ 142,06.00 lakhs (March 31, 2019 ₹ 158,02.00 lakhs). 1% Decrease in the long-term growth rate would result in decrease in stake value to ₹ 124,20.00 lakhs (March 31, 2019 ₹ 132,87.00 lakhs).
			Weighted Average Cost of Capital (WACC)	13.9% - 15.9% (14.9%)	11.6% - 13.6% (12.6%)	1% Increase in the WACC would result in decrease in stake value to ₹ 120,83.00 lakhs (March 31, 2019 ₹ 128,61.00 lakhs). 1% Decrease in the WACC would result in Increase in stake value to ₹ 146,24 lakhs (March 31, 2019 ₹ 163,48.00 lakhs).

Particulars	Fair value as at		Significant Unobservable Inputs	Probable - weighted range		Sensitivity
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019	
Unquoted equity shares: Andhra Pradesh Gas Power Corporation Ltd. (APGPCL)	6,75.00	9,60.00	Discount Rate	12.3% - 14.3% (13.3%)	13.5% - 15.5% (14.5%)	1% Increase in the discount rate would result in decrease in stake value to ₹ 6,66.00 lakhs (March 31, 2019 ₹ 9,45.00 lakhs). 1% Decrease in the discount rate would result in Increase in stake value to ₹ 6,84 lakhs (March 31, 2019 ₹ 9,76.00 lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(v) Valuation processes

The Company has outsourced the valuation process of unquoted equity instruments for financial reporting purposes.

The main level 3 inputs for unlisted equity securities used by the Company are derived and evaluated as follows:

For valuation of Saint-Gobain India Pvt. Ltd. discounted cash flow method is used and discount rates are determined using Weighted Average Cost of Capital (WACC) to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Growth rate is estimated based on overall economic growth expected, our understanding of the industry and expected long-term inflation.

For valuation of Andhra Pradesh Gas Power Corporation Ltd., discount rate is determined considering prevailing yield of government bonds aligned with residual maturity, market risk premium and beta of similar companies. The cash flow projections are based on cost saving method.

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

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

	March 31, 2020		March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments				
Government securities	74.17	80.27	74.17	80.85
Loans				
Loans to employees	1,58.94	1,38.87	1,74.91	1,46.00
Loan to directors	2,14.38	2,15.63	2,69.98	2,31.56
Security deposits	11,00.15	10,50.33	10,42.61	10,86.62
Total financial assets	15,47.64	14,85.10	15,61.67	15,45.03

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

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

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

41 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

The Company's risk management is carried out by a central Treasury department under policies approved by the Board of Directors. The Treasury department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(A) Credit risk

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from outstanding receivables from free market dealers, cash and cash equivalents, investments, employee advances 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.

Credit risk on cash and cash equivalents and investment is limited as company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units

(i) Credit risk management

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

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.

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

Particulars	March 31, 2020	March 31, 2019
Trade Receivables	206,65.28	208,15.12
Loss Allowance	6,02.59	6,17.31
Percentage	2.92%	2.97%

(ii) Reconciliation of loss allowance provision – Trade receivables

Loss allowance on March 31, 2019	6,17.31
Changes in allowance	(14.72)
Loss allowance on March 31, 2020	6,02.59

(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 and investments 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:

Particulars	March 31, 2020	March 31, 2019
Floating rate		
- Expiring beyond one year (bank loans and overdrafts)	63,40.91	45,31.94

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
March 31, 2020				
Non-derivatives				
Lease liabilities	11,38.03	6,98.35	5,19.82	23,56.20
Trade payables	227,73.49	-	-	227,73.49
Other financial liabilities	48,75.56	-	-	48,75.56
Total non-derivative liabilities	287,87.08	6,98.35	5,19.82	300,05.25
March 31, 2019				
Non-derivatives				
Trade payables	180,59.18	-	-	180,59.18
Other financial liabilities	50,10.65	-	-	50,10.65
Total non-derivative liabilities	230,69.83	-	-	230,69.83

(C) Market risk

(i) Foreign currency risk

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

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

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

Trade Receivables	Currency	March 31, 2020	March 31, 2019
	USD	28,37.84	19,87.78
	EUR	48,74.91	41,29.85
	Others	12.01	21.82
Trade Payable	Currency	March 31, 2020	March 31, 2019
	USD	26,95.33	25,23.39
	EUR	15,44.00	10,76.51
	Others	9,62.77	4,44.02

The details of forward contracts outstanding at the year ended expressed in ₹ are as follows;

Forward Contracts (Sell)	Currency	March 31, 2020	March 31, 2019
	USD	99,14.46	53,67.68
	EUR	108,76.97	72,21.48
	Others	31.68	25.49
Forward Contracts (Buy)	Currency	March 31, 2020	March 31, 2019
	USD	28,28.58	74,47.38
	EUR	26,83.99	31,02.92
	Others	13,96.41	3,97.22



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

42 CAPITAL MANAGEMENT

(a) Risk management

The Company's objectives when managing capital are to

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

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

(b) Dividends

(i) Dividend paid during the year

Dividend paid during the year ₹ 6/- per fully paid up share (March 31, 2019 - ₹ 5/- per fully paid up share)

March 31, 2020

March 31, 2019

66,43.20

55,36.00

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

In addition to the above dividends, since year end the directors have recommended the payment of a dividend of ₹ 7.50/- each per fully paid equity share (March 31, 2019 – ₹ 6/-). This proposed dividend is subject to the approval of shareholders at the ensuing annual general meeting.

43 CONTINGENT LIABILITIES

(i) Contingent liabilities

	March 31, 2020	March 31, 2019
(a) Excise, Service Tax & Custom Duty demands pending with the appropriate authorities and disputed by the Company	4,82.60	8,64.74
(b) Sales Tax demands pending with the authorities and disputed by the Company	80.56	44.12
(c) Claims against the Company under the Labour Laws disputed by the Company	4,47.40	3,35.25
(d) Guarantees given by Banks, of which ₹ 616.36 lakhs (March 31, 2019 - ₹ 604.89 lakhs) are counter guaranteed by the Company	6,16.36	6,04.89
(e) Non-Agricultural Land Cess	37.79	37.79
(f) Other Claims against the Company not acknowledged as debts	1,21.81	1,21.81
(g) Demand raised by A.P Transco on increase in power cost, disputed by the Company & subjudice in Honourable Supreme Court	-	38,61.56
(h) Demand raised by A.P Transco on surplus units allocated, disputed by the Company & subjudice in High Court (Net)	10,71.41	10,63.71
(i) Demand raised by A.P Transco for fuel surcharge adjustment for Financial years 2009-10 & 2010-12 disputed by the Company & subjudice in Honourable Supreme Court	2,64.00	2,64.00
(j) Income tax liability on account of disputed disallowances	88.32	88.32
(k) Good and Service Tax liability for Credit of duty paid on goods and services received prior to July 1, 2017	8.09	-

(ii) In the assessment of the Management, the impact of the Supreme Court judgement in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" on non-exclusion of certain allowances from the definition of "basic wages" for the purpose of determining provident fund contribution is not likely to have significant impact.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2020	March 31, 2019
44 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	9,28.70	19,24.75
(ii) Operating leases		
<u>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</u>		
Within one year	-	9,26.48
Later than one year but not later than five years	-	16,44.13
Later than five years	-	-
<u>Commitments for minimum lease receipts in relation to non-cancellable operating leases are receivable as follows:</u>		
Within one year	2,65.48	2,02.68
Later than one year but not later than five years	13.44	26.88
Later than five years	-	-
<u>Rental expense relating to operating leases</u>		
Minimum lease payments	-	13,29.84
Total rental expense relating to operating leases	-	13,29.84

(iii) Transition to IND AS 116

As a Lessee

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the same to lease contracts existing on April 1, 2019 using the modified retrospective approach. Accordingly, the comparative figures have not been restated.

The adoption of Ind AS 116 has resulted in the recognition of right-of-use asset and lease liabilities as at April 1, 2019 as given in the table below. Further, the effect of this adoption has no impact on the equity as at April 1, 2019 and also, is not material on the profit for the year ended March 31, 2020. However, the adoption of Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 9 %.

Disclosures as required under Ind AS 116:

Particulars	Amount
(a) Amounts recognised in Balance Sheet	
Reclassification of leasehold land on account of adoption of Ind AS 116 as at April 1, 2019 (Net block)	74.54
Right-of-use asset recognised as at April 1, 2019	30,07.35
Depreciation for the year	(10,00.81)
Right-of-use asset at the end of the year	20,81.08
Lease Liabilities recognised as at April 1, 2019	29,11.59
Interest cost accrued during the year	2,61.13
Payment of lease liabilities (Principal and Interest)	(11,31.75)
Lease Liabilities at the end of the year	20,40.97
Current Lease Liabilities	9,55.09
Non-current Lease Liabilities	10,85.88
Lease Liabilities at the end of the year	20,40.97
(b) Amount recognised in the Statement of Profit and Loss	
Depreciation for the year	10,00.81
Interest cost accrued during the year	2,61.13
Expenses related to short term leases	2,64.62
Total Cash outflows from leases during the year	13,96.37



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

45 The segment information is presented under the Notes forming part of the Consolidated Financial Statements as required under the Indian Accounting Standard - 108 on "Operating Segment".

46 SHARE BASED PAYMENTS

(a) Performance Share Plan

Certain employees of the Company in India are allotted Performance shares of the Ultimate Holding Company. These plans are subject to eligibility criteria based on the employee's period of service (service conditions) with the Group as well as performance criteria (performance conditions). The Ultimate Holding Company does not charge any cost for this benefit, the cost of this benefit has been arrived at using Black and Scholes method.

Summary of Share options granted under plan

	March 31, 2020	March 31, 2019
	Number of options	Number of options
Opening balance	37,940	35,440
Granted during the year	-	9,680
Exercised during the year	(4,773)	(5,171)
Forfeited during the year	(2,987)	(2,009)
Closing balance	<u>30,180</u>	<u>37,940</u>

(b) Expense arising from share based payment transaction

	March 31, 2020	March 31, 2019
Performance Share Plan	1,61.57	1,60.65
	<u>1,61.57</u>	<u>1,60.65</u>

47 RELATED PARTY TRANSACTIONS (AS PER IND AS 24 RELATED PARTY DISCLOSURES)

Relationships

(i) HOLDING COMPANY

Compagnie de Saint-Gobain, France

(ii) FELLOW SUBSIDIARIES

Certainteed Corporation, USA	Saint Gobain America, S.A. De C.V., Mexico
Saint-Gobain Services Construction Products GmbH, Germany	Saint-Gobain Building Distribution Deutschland GmbH, Germany
L.M.Van Moppes Diamond Tools India Pvt. Ltd., India	Saint-Gobain Ceramic Materials (Zhengzhou) Co. Ltd, China
Lapeyre, France	Saint-Gobain Colombia SAS, Colombia
Pt. Saint-Gobain Abrasives Diamas, Indonesia	Saint-Gobain Diamantwerkzeuge GmbH, Germany
Saint-Gobain Performance Plastics Corporation, USA	Saint-Gobain Distribution Bâtiment France S.A.S., France
Saint-Gobain Ceramics & Plastics, Inc, USA	Saint-Gobain Distribution Denmark, Denmark
Saint-Gobain Abrasives (Suzhou) Co., Ltd, China	Saint-Gobain Do Brasil Produtos Industriais E Para Construção Ltda, Brazil
Saint-Gobain Abrasives BV, Netherlands	Saint-Gobain Glass Egypte S.A.E., Egypt
Saint-Gobain Abrasives GmbH, Germany	Saint-Gobain HPM Polska sp.z o.o, Poland
Saint-Gobain Achats, France	Saint-Gobain Industrial Ceramics Pty Ltd, Australia
Saint-Gobain Adfors, France	SG Industrial Ceramics Ltd, UK
Saint-Gobain Building Distribution-UK	Saint-Gobain Industriekeramik Rodental GmbH, Germany

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

SG Ceramic Materials AS, Norway	Saint-Gobain K.K., Japan
Saint-Gobain Corporation, France	Saint-Gobain Materiales Ceramicos, Venezuela
Saint-Gobain Dsi Groupe, France	Saint-Gobain Materiaux Ceramiques, France
Saint-Gobain Glass, France	Saint-Gobain Nordic A/S, Denmark
Saint-Gobain India Private Limited, India	Saint-Gobain Pipes, France
Saint-Gobain Innovative Materials Belgium, Belgium	Saint-Gobain Performance Plastics (Shanghai) Co Ltd, China
Saint-Gobain Solar Gard, LLC, USA	Saint-Gobain Sekurit India Ltd, India
Saint-Gobain Norpro, USA	Saint-Gobain Sekurit (Thailand) Co Lt, Thailand
Saint-Gobain International Digital-It Services, France	H.K.O. Isolier-Und Textiltechnik Gmbh, Germany
Saint-Gobain Glass Deutschland Gmbh, Germany	Saint-Gobain Proppants (Guanghan) Co., Ltd
Saint-Gobain (sea) Pte. Ltd., Philippines	Saint-Gobain Inovatif Malzemeler Ve Asindirici Sanayi Ticaret Anonim Sirketi, Turkey
Saint-Gobain Abrasifs, UAE	Saint-Gobain Technical Fabrics, S.A. De, Mexico
Saint-Gobain Abrasifs S.A. (Moroc), Morocco	Saint-Gobain Vietnam Ltd., Vietnam
Saint-Gobain Abrasifs, France	Savoie Refractaires, France
Saint-Gobain Abrasives Limited, New Zealand	Societe Europeenne Des Produits Refractaires - S.E.P.R., France
Saint-Gobain Abrasives (Pty.) Ltd., South Africa	Saint-Gobain Consulting Information and Organisation, France
Saint-Gobain Abrasives (Thailand) Ltd., Thailand	Saint-Gobain Distribuição Brasil Ltda, Brazil
Saint-Gobain Abrasives Ltd, UK	Saint-Gobain Info Sys Gmbh, Germany
Saint-Gobain Abrasives Limited, England	Saint-Gobain Isover, France
ST-Gobain Abrasives Pty. Ltd., Australia	Saint-Gobain Materiaux Ceramiques, Belgium
Saint-Gobain Abrasives S.A., Luxembourg	Saint-Gobain Performance Plastics Corby, UK
Saint-Gobain Abrasives (Shanghai) Co Ltd, China	Saint-Gobain Performance Plastics Korea Co Ltd, Korea
Saint-Gobain Abrasives, Inc., USA	Saint-Gobain Performance Plastics Pampus Gmbh, Germany
Saint-Gobain Abrasivi SPA, Italy	Saint-Gobain Performance Plastics Ireland, Ireland
Saint-Gobain Abrasivos LDA. - (Portugal), Portugal	Saint-Gobain Performance Plastics Rencol Limited, UK
Saint-Gobain Abrasivos S.A.(ESPAÑA), Spain	Saint-Gobain Technology Services, France
Saint-Gobain Advanced Ceramics(Shanghai) Co Ltd, China	Thai Gypsum Products PCI, Thailand
Saint-Gobain Gyproc Emirates Industries LLC, UAE	Saint-Gobain Centre De Recherche Et D'Etudes Europeen, France
Saint-Gobain Adfors Cz S.R.O., Czech Republic	Saint-Gobain Abrasivos Limitada, Chile
Saint-Gobain Solar Gard Australia Pty. Ltd.	Saint-Gobain Distribution The Netherlands BV, Netherlands
Saint-Gobain Advanced Materials (Taiwan) Co Ltd	Saint-Gobain Adfors America, Inc, USA
Saint-Gobain Rigips Alci Sanayi Ve Ticaret Anonim Sirketi, Turkey	Saint-Gobain Adfors Austria Gmbh, Austria
Sanitas Troesch Ag, Switzerland	Toyoda Van Moppes Ltd
Saint-Gobain Performance Plastics Mg Silikon Gmbh, Germany	Saint-Gobain Performance Plastics L+S Gmbh, Germany
Compania Industrial El Volcan S.A	Saint Gobain Distribución Construcción, S.L.
Xuancheng Huiken Import and Export Co. Ltd	Hangzhou Join Leader New Materials Co, Ltd
Joinleader (Hk) New Materials Co.Limited	



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(iii) OTHER RELATED PARTIES :

Grindwell Norton Employees Gratuity Trust
Grindwell Norton Employees Superannuation Trust
Saint Gobain India Foundation

(iv) SUBSIDIARY COMPANY

Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.

(v) JOINT VENTURE:

SG Shinagawa Refractories India Private Limited

(vi) KEY MANAGEMENT PERSONNEL

Mr. Anand Mahajan, Managing Director (upto April 1, 2020)
Mr. Krishna Prasad, Alternate Director (upto February 4, 2020)
Mr. B. Santhanam, Managing Director (w.e.f. April 1, 2020)
Mr. Keki M. Elavia, Independent Director
Mr. Shivanand Salgaocar, Independent Director (upto July 23, 2019)
Dr. Archana Niranjana Hingorani, Independent Director
Mr. Subodh S. Nadkarni, Independent Director (w.e.f. July 25, 2019)
Mr. Mikhil Narang, Director

(vii) (a) Parent entities

The Group is controlled by following entity:

Name of entity	Type	Place of business	Ownership interest held by the Group	
			March 31, 2020	March 31, 2019
Compagnie de Saint-Gobain	Ultimate Holding Co*	Les 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	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	Les 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 Rikmini 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, 2020	March 31, 2019
Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	Subsidiary	L-14 Pasakha Industrial Estate, PO Box 275, Pasakha Bhutan	70%	70%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(c) Joint Venture

Name of entity	Type	Place of business	Ownership interest held by the Company	
			March 31, 2020	March 31, 2019
SG Shinagawa Refractories India Private Limited	Joint Venture	No-1609, 16th Floor, Shapath-V, Opp Karnawati Club, Sarkhej Gandhinagar, HIGHWAY, AHMEDABAD, Ahmedabad, Gujarat, India, 380015	49%	-

(d) Key Management Personnel Compensation

	March 31, 2020	March 31, 2019
Short-term employee benefits	4,50.62	4,50.88
Post-employment benefits	98.38	90.75
Sitting Fees	16.90	17.60
Commission Payable	3,17.50	3,29.50

(e) Transactions with related parties

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

Sr. No.	Particulars	Holding Company		Fellow Subsidiaries		Other Related Parties		Subsidiary Company		Joint Venture	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1	Sales	-	-	77,93.08	63,99.76	-	-	0.20	-	-	-
2	Agency Commission received	-	-	58.43	35.88	-	-	-	-	-	-
3	Service Income	3,28.83	2,64.54	108,18.12	101,46.60	-	-	-	48.75	-	-
4	Other Income	-	-	4,33.37	3,57.93	-	-	2,39.06	2,31.54	-	-
5	Dividend Income	-	-	-	-	-	-	3,85.62	-	-	-
6	Expenses incurred on behalf of group companies	23.16	3.43	47,79.92	8,24.75	-	-	14.97	1.91	28.08	-
7	Expenses charged by other group companies	52.70	85.96	24,33.28	13,06.89	-	-	-	-	-	-
8	Purchase of Goods	-	-	171,97.97	215,95.30	-	-	39,10.74	48,08.81	-	-
9	Royalty Paid	-	-	28,02.45	29,56.92	-	-	-	-	-	-
10	Dividend Paid	-	-	34,27.68	28,56.40	-	-	-	-	-	-
11	Donation Paid	-	-	1,12.68	1,35.17	-	-	-	-	-	-
12	Contribution to Post employment benefit plans	-	-	-	-	6,55.65	10,16.22	-	-	-	-
13	Investment in Joint Venture	-	-	-	-	-	-	-	-	11,27.00	-
14	Trade Receivables*	2,06.14	-	58,39.25	21,09.38	-	-	-	-	-	-
15	Other Receivables*	0.92	0.92	6,01.08	13,63.84	-	-	4,19.64	3,99.33	-	-
16	Advances to Suppliers*	-	-	35.59	1,87.81	-	-	0.52	0.52	-	-
17	Trade Payables*	-	-	(54,00.83)	(27,77.85)	-	-	(5,48.50)	(4,70.60)	-	-

* Closing Balance



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(f) Loans to/from related parties

Particulars	March 31, 2020	March 31, 2019
Loans to key management personnel (at amortised cost)		
Beginning of the year	2,69.98	3,15.60
Loan repayments received	(55.60)	(45.62)
Interest charged	4.40	14.38
Interest received	(4.40)	(14.38)
End of the year	2,14.38	2,69.98

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

(g) Rent paid to key management personnel during the year ₹ 2.76 lakhs.

(h) Terms and conditions

- (i) Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.
- (ii) The terms and conditions of the loans to Key Managerial Personnel are as per the policy of the Company.
- (iii) All other transactions were made on normal commercial terms and conditions and at market rates. The average interest rate on the other loans during the year was 10% (March 31, 2019 – 10%).
- (iv) All outstanding balances are unsecured and are repayable in cash.

(i) Related parties with whom significant transactions were undertaken and included in figures reported in Note No. 45 (vii) (e) is as under

Sr. No.	Nature of Transactions	Name of the Company	March 31, 2020	March 31, 2019
1	Sale of Goods	Saint-Gobain Abrasives Inc., USA	19,05.31	2,92.18
2	Service Income	Saint Gobain Dsi Groupe, France	29,78.59	31,82.04
		Saint-Gobain Consulting Information and Organisation, France	23,37.24	27,37.82
		Saint-Gobain Isover, France	11,05.00	15,41.08
3	Purchase of Goods	Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	39,10.74	48,08.81
		Saint-Gobain Performance Plastics Corporation	30,23.66	36,13.46
		Saint-Gobain Do Brasil Produtos Industriais E Para Construção Ltda, Brazil	20,11.90	23,94.24
		Saint-Gobain Ceramics & Plastics, Inc	16,40.05	21,26.12
		Certaineed Corporation	12,35.65	11,95.64
		Saint-Gobain Abrasives Inc., USA	12,16.60	14,98.75
4	Royalty Paid	Saint-Gobain Abrasives Inc., USA	20,85.24	21,70.05
5	Expenses incurred on behalf of group companies	Saint-Gobain India Private Limited, India	41,14.43	5,23.95
6	Expenses charged by other group companies	Saint-Gobain India Private Limited, India	15,31.04	3,99.66
7	Dividend Paid	Saint-Gobain Abrasives Inc., USA	17,78.13	14,81.78
		Societe de Participations Financieres et Industrielles	16,31.55	13,59.62

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

48 Consequent to the nationwide lockdown announced by the Government of India, the Company's plants and offices were shutdown from March 23, 2020 onwards. This has had a significant adverse impact on the operations of the Company. Since the gradual easing of the lockdown from April 6, 2020, onwards, and in line with the various directives of the Government, the Company's plants have commenced operations in a phased manner. As of today, partial operations have resumed at all the manufacturing sites. However, there is an uncertainty caused by the current situation. The Company's Management has done an assessment of the situation, including the liquidity position and the recoverability and carrying value of all its assets and liabilities as at March 31, 2020, and concluded that there are no material adjustments required in the financial statements as of March 31, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainty associated with its nature and duration. The Company will continue to monitor any material changes as the situation evolves.

The accompanying notes (1 to 48) 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

Keki M. Elavia

Managing Director

DIN 00003940

B. Santhanam

Chairman

DIN 00494806

Sachin Parekh
Partner
Membership No. 107038

Deepak Chindarkar

Chief Financial Officer

K. Visweswaran

Company Secretary

Mumbai: May 20, 2020

Mumbai: May 20, 2020



Value
Research