

NORTON *GRINDWELL NORTON LTD.*

63rd Annual Report **2012-2013**



RESILIENT PERFORMANCE



TEN YEAR FINANCIAL HIGHLIGHTS

(₹ Lacs)

	2003	2004	2005	2006	2007	2008	Jan 2009 Mar 2010 (15 Months)	2010-11	2011-12	2012-13
Sale of Products	25449	30135	36049	42129	49701	55553	74504	83763	95132	99068
Profit Before Interest, Tax and Extraordinary Items	3210	4378	5368	6865	8255	7972	13028	12597	14935	13664
Profit After Tax and Extraordinary Items	2042	2918	3540	4602	13351 ⁺	5501	8751	8563	10363	9767
Share Capital	1384	1384	1384	2768	2768	2768	2768	2768	2768	2768
Reserves and Surplus *	12440	13779	15579	16590	24759	27669	32546	37249	43429	48986
Total Debts	370	139	61	226	227	–	–	–	–	–
Net Fixed Assets *	5806	6377	6898	12116	14877	17688	18497	19535 ^{>}	27476	34209
Net Working Capital	2491	1902	2826	2532	5154	6914	12612	17653 ^{>}	14168	14252
Earnings Per Share (₹) #	3.69	5.27	6.40	8.31	10.21 [^]	9.94	15.81	15.47	18.72	17.64
Dividend Per Share (₹) #	1.63	2.50	2.75	3.50	8.00 [□]	4.00	6.00	6.00	6.50	6.50
Book Value Per Share (₹) * #	24.97	27.38	30.64	34.97	49.72	54.98	63.79	72.28	83.45	93.49

KEY RATIOS

Return on Investment (%)	21.86	27.93	30.84	34.48	29.34	25.82	28.85 [@]	30.78	31.59	25.66
Return on Sales (after Tax) (%)	8.02	9.68	9.82	10.92	11.37 [^]	9.90	11.75	10.22	10.89	9.86
Operating Margin (%)	12.61	14.53	14.89	16.30	16.61	14.35	17.49	15.04	15.70	13.79
Asset Turnover	1.74	1.92	2.07	2.12	1.77	1.80	1.65 [@]	2.05	2.01	1.86
Debt Equity Ratio	0.03	0.01	-	0.01	0.01	-	-	-	-	-
Current Ratio	1.40	1.24	1.32	1.22	1.34	1.49	1.78	2.07 ^{>}	1.64	1.73

+ PAT without Extraordinary Item ₹ 5651 Lacs

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

□ Includes special interim dividend of ₹ 4.00

> Figures re-cast wherever necessary.

* Without Revaluation Reserve

[^] Based on Profit After Tax without Extraordinary Item

[@] Annualised

Bankers

Central Bank of India
ICICI Bank

Auditors

Kalyaniwalla & Mistry,
Chartered Accountants

Registrars & Transfer Agents

TSR Darashaw Private Limited
6-10, Haji Moosa Patrawala
Ind. Estate,
20, Dr. E. Moses Road,
Mahalaxmi,
Mumbai - 400 011
Tel. No.: 022-6656 8484
Fax No.: 022-6656 8494

Registered Office

Leela Business Park, 5th Level,
Andheri-Kurla Road,
Marol, Andheri – East,
Mumbai - 400 059.
Tel. No.: 022-4021 2121
Fax No.: 022-4021 2102

Factories

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

DIRECTORS

Mr. P. SHAH
(Chairman)

Ms. M-A. CHUPIN

Mr. K. M. ELAVIA

Mr. J-P. FLORIS

Mr. P. MILLOT

Mr. M. M. NARANG

Mr. J. A. J. PEREIRA
(Alternate Director to
Ms. M-A. Chupin)

Mr. S. SALGAOCAR

Mr. G. TEXIER

Mr. A. Y. MAHAJAN
(Managing Director)

DIRECTOR EMERITUS

Mr. N. D. SIDHVA

MANAGEMENT COMMITTEE

Mr. J. A. J. Pereira
(HR & Corporate Services)

Mr. K. K. Prasad
(Ceramics & Plastics)

Mr. M. A. Puranik
(Finance & IT)

Mr. M. Ramarathnam
(Projects & EHS)

Mr. N. Sreedhar
(Abrasives)

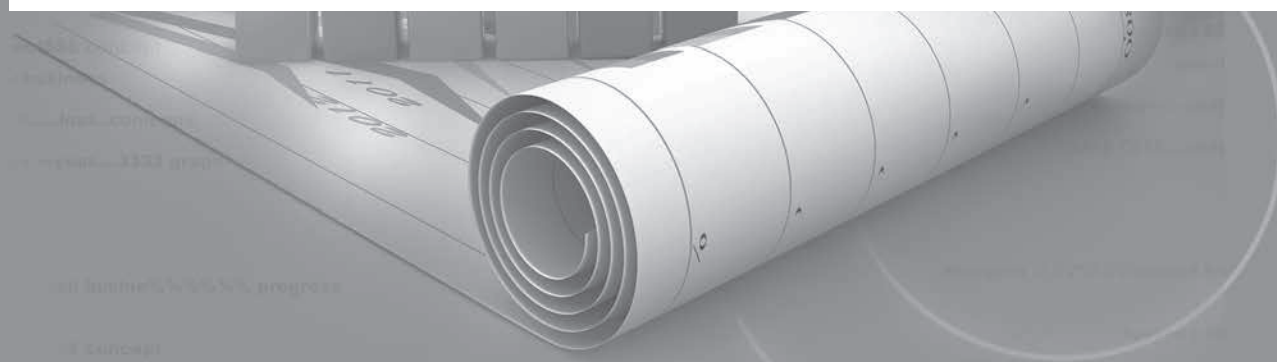
Ms. A. Vaidya
(HR)

COMPANY SECRETARY

Mr. K. Visweswaran

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NOTICE

NOTICE is hereby given that the 63rd Annual General Meeting of the Members of Grindwell Norton Limited will be held on Wednesday, 24th July, 2013 at 3.00 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikushru Dubash Marg, (Rampart Row), Mumbai – 400 001 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, the Auditors' Report and the Audited Balance Sheet and Statement of Profit and Loss, together with Notes and Cash Flow Statement of the Company for the year ended 31st March, 2013.
2. To declare a dividend for the year ended 31st March, 2013.
3. To appoint a Director in place of Mr. M. M. Narang who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P. Millot who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT M/s. Kalyaniwalla & Mistry, Chartered Accountants, (Firm Registration No. 104607W), be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors.”

SPECIAL BUSINESS

6. Appointment of Mr. Keki M. Elavia as Director

To appoint a Director in place of Mr. Keki M. Elavia who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 read with Article 112 of the Articles of the Association of the Company and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. Keki M. Elavia for the office of Director.

4th May, 2013

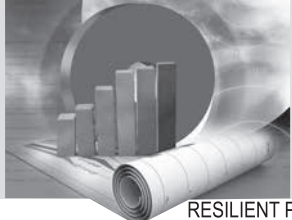
By Order of the Board

Registered Office :
Leela Business Park,
5th Level, Andheri-Kurla Road,
Marol, Andheri (East),
Mumbai - 400 059

K. VISWESWARAN
COMPANY SECRETARY

NOTES :

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- (b) **PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- (c) The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 18th June, 2013 to Friday, 21st June, 2013 (both days inclusive).
- (d) The explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under item no. 6 is annexed hereto.
- (e) As per the amended provisions of the Companies Act, 1956, the dividend remaining unclaimed or unpaid for the financial year ended 31st December, 2004 had been transferred to the Investor Education and Protection Fund (Fund) of the Central Government on 15th June, 2012. The unpaid / unclaimed dividend, declared for the financial year ended 31st December, 2005 will be due for transfer to the said Fund after 26th May, 2013. The Unpaid Dividend for all the subsequent years will be transferred to the Fund, on expiry of seven years from their respective dates of transfer to the 'Unpaid Dividend Account'. Members who have not yet realized the dividend declared for the year ended 31st December, 2006 and all subsequent financial years, are once again requested to make their claims immediately to the Company or to the Company's Registrars & Transfer Agents – TSR Darashaw Private Limited (TSRDPL).
- (f) The facility for making nomination is available to the Members in respect of the shares held by them.
- (g) All documents referred to in the Notice and Explanatory statement are open for inspection to the members at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on all working days upto the date of this Annual General Meeting.
- (h) (i) Copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of the Annual Report to the meeting.
- (ii) Members desirous of seeking any further information about the accounts and/or operations of the Company are requested to address their queries to the Company Secretary of the Company at least ten days in advance of the meeting, so that the information, to the extent practicable, can be made available at the meeting.
- (iii) Members holding shares in the same set of names under different Ledger Folios are requested to apply for consolidation of such folios along with relevant share certificates to TSRDPL.
- (iv) Members are requested to immediately intimate the change, if any, in their registered address to TSRDPL.



RESILIENT PERFORMANCE

ANNEXURE TO THE NOTICE

Notes on the directors seeking appointment/re-appointment, as required under Clause 49 of the Listing Agreement, entered into with Stock Exchanges.

Item No. 3

Mr. M. M. Narang is 34 years old. He is a Commerce graduate from Mumbai University and has done his MBA from INSEAD, France. He has work experience of over ten years. Currently, he is working for IMERYS, world leader in Industrial minerals. Mr. Narang holds 3,31,500 equity shares in the Company.

Item No. 4

Mr. P. Millot, a French national is 49 years old and holds a degree in engineering. He joined Compagnie de Saint-Gobain (CSG) in 1996 and has gained rich experience in various fields. Presently, he is the President of the Abrasives division which is a part of the High Performance Materials sector of CSG. Mr. Millot does not hold any equity share in the Company.

Item No. 6

Mr. Keki M. Elavia is 67 years old and is a B. Com. (Hons), FCA, CFE. He retired as a Senior Partner of M/s. Kalyaniwalla & Mistry – Chartered Accountants in 2009, after an association of more than 40 years. Mr. Elavia does not hold any equity share of the Company.

EXPLANATORY STATEMENT

Explanatory Statement as required under Section 173 of the Companies Act, 1956.

Item No. 6

Mr. Keki M. Elavia was appointed as an additional director of the Company on 26th July, 2012. In terms of the provisions of Section 260 of the Companies Act, 1956, read with Article 112 of the Articles of Association of the Company, Mr. Elavia holds office upto the date of the ensuing Annual General Meeting of the Company. A brief profile of Mr. Elavia is given in Item No. 6 in the Annexure to the notice.

Notice in writing under Section 257 of the Companies Act, 1956 along with a deposit of ₹ 500/- has been received from a member of the Company signifying his intension of proposing Mr. Elavia as a candidate for the office of Director.

Except Mr. Elavia, no other director is concerned or interested in the resolution.

Your Directors recommend the appointment of Mr. Elavia as a Director of the Company, liable to retire by rotation.

4th May, 2013

By Order of the Board

Registered Office :
Leela Business Park,
5th Level, Andheri-Kurla Road,
Marol, Andheri (East),
Mumbai - 400 059

K. VISWESWARAN
COMPANY SECRETARY

DIRECTORS' REPORT

The Members,
Grindwell Norton Ltd.

Your Directors present the 63rd Annual Report of the Company along with the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended 31st March, 2013.

Financial Highlights

	2012-13	2011-12
Sale of Products (Gross)	990.68	951.32
Service & Other Operating Income	31.32	22.26
Less: Excise Duty	(76.90)	(66.98)
Revenue from Operations	945.09	906.60
Operating Profit	136.64	149.35
Interest	0.59	0.37
Profit before Tax	136.05	148.98
Provision for Tax	38.38	45.35
Profit after Tax	97.67	103.63
Surplus brought forward	80.00	60.00
	177.67	163.63
Appropriations:		
Proposed Dividend	35.98	35.98
Tax on Proposed Dividend	6.12	5.84
Transfer to General Reserve	35.57	41.81
Surplus Carried to Balance Sheet	100.00	80.00
	177.67	163.63

Responsibility Statement

Your Directors confirm that :

- In the preparation of the annual accounts, the applicable accounting standards have been followed;
- Appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the profit of the Company for that year;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis.

Operations

The growth of the industrial sector, in general, and within that, manufacturing, in particular, witnessed a steep decline. This was the second consecutive year of low growth. Consequently, during the year under review, your Company's sales increased by only 4%. Domestic sales were flat (volumes contracted by about 3%) while exports grew by about 75% (largely due to one large equipment order executed by your Company's Project Engineering Division). Overall, the growth in sales was the lowest since 2001. Meanwhile, margins came under increasing pressure due to the rise in cost of inputs (energy and raw materials), the further depreciation of the Rupee and general inflationary conditions. While the management succeeded in increasing prices, in weak and highly competitive markets, the increase was not sufficient to maintain margins, even after considering the improvements in productivity, efficiencies and yields and cost control. Consequently, your Company's operating profit declined by 8.5%, the first drop since 2008.

Dividend

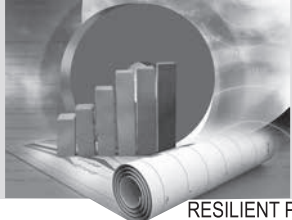
In the light of your Company's profits and its strong financial position, your Directors are pleased to recommend a dividend of ₹ 6.50 per equity share for the financial year ended 31st March, 2013. The cash outgo on account of the dividend (including dividend distribution tax) will be ₹ 42.10 crores (Previous year ₹ 41.82 crores).

Abrasives

Due to contraction in volume of many end-user industries (led by auto), domestic sales were flat in value terms even as volumes declined. With considerable efforts, the domestic volume drop was partly compensated by some growth in exports. Despite being successful in increasing prices, improving operating performance and containing expenses, operating profit and margin was much lower than the previous year. The two capacity expansion projects initiated last year were delayed. The new Non-woven Abrasives plant in Bangalore was partially commissioned in the second half while, given the market situation, the Bonded Abrasives expansion project at Nagpur was slowed down and is now likely to be commissioned in the current year.

Ceramics & Plastics

Domestic and export demand for Silicon Carbide was weak during the year under review. Margins were affected mainly on account of higher power cost (there was a steep increase in grid power tariff in Andhra Pradesh) and slightly lower price realization. The execution of major project orders during the year under review, helped the High Performance Refractories (HPR) business to register good growth in sales compared to previous year. The new HPR plant in Halol (Gujarat) was commissioned in September 2012 and stabilization of the process and ramp up of production from that unit is in progress. The Performance Plastics business also witnessed good growth during the year.



RESILIENT PERFORMANCE

Subsidiary in Bhutan

Operations of your Company's subsidiary in Bhutan stabilized and achieved almost 100% capacity utilization. The processing plant project started last year was commissioned in January 2013. During the year, your company has made a further equity investment of ₹ 35 million in its subsidiary. This capital infusion was utilised for the processing plant. In terms of general exemption provided under Section 212 (8) of the Companies Act, 1956, granted by Ministry of Corporate Affairs vide its circular no 02/2011 dated 8th February, 2011 and in compliance with the conditions enlisted therein, copies of the Balance Sheet, Statement of Profit & Loss, Report of Board of Directors and Auditors of the subsidiary have not been attached to the Balance Sheet of the Company. However these documents will be made available upon request by any member of the Company. As directed by said circular, the financial data of the subsidiary has been furnished under "Financial Information of Subsidiary Company" which forms part of Annual Report. The annual accounts of the Company including that of the subsidiary will be kept for inspection by any member. Further, pursuant to Accounting Standard (AS) – 21, consolidated financial statements presented by the Company include financial information of the subsidiary company.

Investment in Saint-Gobain Research India Limited

During the year, Saint-Gobain Research India Ltd (SGRI) was incorporated. SGRI will invest in setting up a transversal Research & Development Centre for the Saint-Gobain Group in Chennai. Two of the Group's R&D entities and three of its entities in India have contributed to SGRI's equity. SGRI will support the Saint-Gobain businesses in India (including all the businesses of your Company). During the year under review, your Company invested ₹ 2.34 crores in the equity capital of SGRI.

Amalgamation of Group Companies

At a meeting held on 19th April, 2013, the Board of Directors of your Company, based on the recommendation of the Audit Committee, has approved the merger of SEPR Refractories India Ltd (SEPR), Saint-Gobain Crystals and Detectors India Ltd (SGCD) and Saint-Gobain Sekurit India Ltd (SGSIL) with your Company. The appointed date for the Scheme of Amalgamation was fixed as 1st April, 2013. The Board, after due consideration, approved the share exchange ratio as determined by the independent valuer, M/s. S.R. Batliboi & Co. LLP. The fairness opinion on the valuation was provided by ICICI Securities Ltd, a category-I merchant banker.

The share swap ratio for the proposed scheme has been determined as under :

- (i) 1 (one) Equity Share of the face value of ₹ 5/- (₹ Five) each fully paid-up of the Company for every 17 (Seventeen) Equity Shares of the face value of ₹ 10 (₹ Ten), each fully paid-up of SGSIL

- (ii) 100 (one hundred) Equity Shares of the face value of ₹ 5/- (₹ Five) each fully paid-up of the Company for every 50 (Fifty) Equity Shares of the face value of ₹ 10/- (₹ Ten) each, fully paid-up of SGCD
- (iii) 100 (one hundred) Equity Shares of the face value of ₹ 5/- (₹ Five) each fully paid-up of the Company for every 38 (Thirty eight) Equity Shares of the face value of ₹ 10/- (₹ Ten) each, fully paid-up of SEPR

The amalgamation is subject to all necessary approvals from statutory/ regulatory authorities in the respective jurisdictions and subject to the sanction/confirmation by the concerned High Court and/or any other appropriate authority as may be necessary.

Future Prospects

There are no signs of industrial growth recovering in the short term. It is possible that a mild recovery may commence in the later part of 2013-14, but this is far from certain. Under the circumstances, your Company's management will focus on increasing price realization, improving operating performance (implementation of the World Class Manufacturing programme remains a priority) and containing costs and working capital even as it continues to invest in new products and new markets in order to sustain growth.

Employee Relations

During the course of the year, new wage agreements were signed with unions at your Company's plants at Tirupati and Nagpur. Employee Relations were generally cordial at all units of the Company. At the year-end there were 1596 employees. Your Directors place on record their appreciation for the contribution made by all employees in the progress of your Company.

Environment, Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo

Your Company is committed to ensure a clean and green, pollution-free environment as well as a safe and healthy work place at all plant locations and work sites. All the plants of your company (except the new HPR plant in Gujarat) are certified under ISO 14001:2004 as well as OHSAS 18001:1999. These certifications are in recognition of the sustained efforts of your Company in improving Environment, Health and Safety at all its sites.

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo as required in the prescribed format is annexed (Annexure A) and forms part of this Report.

Fixed Deposit

At present your Company does not accept any fixed deposits.

Particulars of Employees

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent excluding the statement containing the particulars to be provided under Section 217 (2A) of the Act. Any member interested in obtaining such particulars may write to the Company at its registered office.

Management Discussion & Analysis Report and Report on Corporate Governance

The Management Discussion & Analysis Report and Report on Corporate Governance along with a Certificate dated 4th May, 2013, of the Auditors of your Company regarding the compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges is annexed (Annexure C) and forms part of this Report.

Directors

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company, Mr. Patrick Millot and Mr. M. M. Narang, retire by rotation and being eligible, offer themselves for re-appointment as Directors of the Company.

Mr. Keki M. Elavia was appointed as an additional Director with effect from 26th July, 2012. Mr. Elavia holds office up to the date of forthcoming 63rd Annual General Meeting of the Company. As required under Section 257 of the Companies Act, 1956, the Company has received notice in writing from a Member proposing the candidature of Mr. Elavia as a Director of the Company.

Auditors

M/s. Kalyaniwalla & Mistry, Chartered Accountants (Registration No 104607W), Auditors of your Company, retire on the conclusion of 63rd Annual General Meeting. You are requested to appoint Auditors for the current financial year and to fix their remuneration. The retiring Auditors, M/s. Kalyaniwalla & Mistry, Chartered Accountants are eligible for re-appointment.

Cost Auditors

The Board of Directors in pursuance to the Order issued by the Central Government under Section 233B of the Companies Act, 1956, have appointed M/s. Rao, Murthy & Associates, Cost Accountants for conducting the audit of the cost accounting records maintained by the Company for few of its businesses.

Acknowledgments

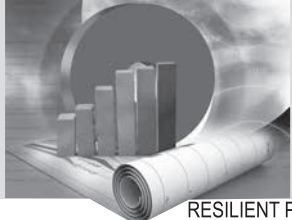
Your Directors take this opportunity to acknowledge with sincere gratitude the support of its esteemed customers, the strength it derives from its association with Compagnie de Saint-Gobain and a number of its subsidiaries, the continued support and co-operation from its Bankers and the loyalty of the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

On behalf of the Board of Directors,

P. SHAH
CHAIRMAN

A. Y. MAHAJAN
MANAGING DIRECTOR

Mumbai; 4th May, 2013



RESILIENT PERFORMANCE

ANNEXURE A TO THE DIRECTORS' REPORT

Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

CONSERVATION OF ENERGY

Various energy conservation initiatives were completed during the year ended 31st March, 2013.

Form A for disclosure of particulars with respect to Conservation of Energy :

Power, Fuel and Gas Consumption

ELECTRICITY

Purchased

Units

Total Amount (₹ crore)

Rate/Unit (₹)

Own generated

(i) Through DG Units

Units per Ltr. of diesel

Cost/Unit (₹)

(ii) Through Steam Turbine/Generator

FUEL OIL

Quantity (K. Ltrs.)

Total Amount (₹ crore)

Average Rate (₹/K.Ltr.)

NATURAL GAS

Quantity (SCM)

Total Amount (₹ crore)

Average Rate (₹/SCM)

Consumption per Unit of Production

Electricity (KWH/TON)

Fuel Oil (KL/TON)

Natural Gas (SCM/TON)

**For the year
ended
31st March,
2013**

For the year
ended
31st March,
2012

1996669

1538964

1.21

0.86

6.10

5.60

32002

40897

3.10

2.06

13.50

15.45

Nil

Nil

1077

1934

5.08

5.36

47139

27690

232593

Nil

0.78

Nil

33.50

Nil

397

512

0.98

0.63

649

Nil

Form B for disclosure of particulars with respect to Technology Absorption :

Research & Development (R&D) :

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

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

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

(a) Abrasives :

Development of :

- Products for creepfeed grinding for Aerospace industry
- Up-gradation of Roll grinding wheels.

Improvements in :

- Product safety and quality
- Sharpening Stones.

(b) Ceramics :

Development of :

- New products for Wear resistant application
- Armor Plate for export and domestic market

Improvements in :

- Environment and Industrial Hygiene.

3. Future plans of action :

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

4. Expenditure on R&D for the year ended 31st March, 2013 :

	₹ Crore
(a) Capital	Nil
(b) Recurring	1.57
(c) Total	1.57
(d) Total R&D expenditure as % of total turnover	0.16%

Technology absorption, adaptation and innovations :

Your Company believes that technology absorption, adaptation and innovations is an on-going process. All through the year, through various visits and interactions with the Saint-Gobain R&D centres, as well as other manufacturing locations, your Company has kept itself informed on the latest trends in technology related to the abrasives field. This has helped your Company to continuously improve the manufacturing processes, improve efficiencies and develop new products. Through all this, your Company has been able to improve the product-service package provided to the customers.

Disclosure of particulars with respect to Foreign Exchange earnings and outgo :

Total earnings in foreign exchange for the financial year ended 31st March, 2013 was ₹ 149.42 crores and the total outflow was ₹ 349.46 crores. Details are given in notes no 19.2, 29, 31 and 32.