GMMPfaudler
Defining the standard

GMM/SEC/2021-22/21

July 19, 2021

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
1st Floor, Dalal Street,
Mumbai – 400 001

Scrip Code: 505255

NSE Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

Symbol: GMMPFAUDLR

Sub.: Annual Report of the Company and Notice convening the 58th Annual General Meeting

Ref.: Regulation 34 and Regulation 30(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Dear Sir/ Ma'am,

Pursuant to Regulation 34 and Regulation 30(2) of the SEBI Listing Regulations, please find enclosed Notice convening the 58th Annual General Meeting ("AGM") and the Annual Report of the Company for the financial year 2020-21. The Notice of the AGM is given on Page Nos. 72 to 95 of the Annual Report.

In compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice convening the AGM and the Annual Report of the Company for the financial year 2020-21 is being sent today i.e. Monday, July 19, 2021, only by electronic mode, to all the members of the Company whose email addresses are registered with the Depositories/ the Company/ the Registrar and Share Transfer Agent of the Company.

Please note that the AGM of the Company will be held on Friday, August 13, 2021, at 04:00 PM IST through Video Conferencing/ Other Audio Visual Means in accordance with the aforesaid circulars. The Notice of AGM along with the Annual Report for the financial year 2020-21 is also being made available on the website of the Company at: https://gmmpfaudler.com/investor-relations-annual-reports.php

Also, the agenda items proposed to be taken up at the AGM are as follows:

Sr. No.	Agenda item	Resolution to be passed/ Manner of approval proposed
1	To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2021 (including Consolidated Financial Statements) together with the reports of the Board of Directors and auditors thereon.	Ordinary Resolutions
2	To confirm the declaration and payment of three interim dividends paid during the financial year ended March 31, 2021 and to declare final dividend for the financial year ended March 31, 2021.	Ordinary Resolutions

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Sr. No.	Agenda item	Resolution to be passed/ Manner of approval proposed
3	To appoint a Director in place of Mr. Ashok Patel (DIN 00165858), who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary Resolution
4	To appoint a Director in place of Mr. Harsh Gupta (DIN 02434051), who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary Resolution
5	To ratify the remuneration of Cost Auditors of the Company for the financial year ending March 31, 2022.	Ordinary Resolution
6	To consider and appoint Mr. Malte Woweries (DIN 0009164705) as the Director of the Company.	Ordinary Resolution
7	To consider and approve adoption of the amended Articles of Association of the Company.	Special Resolution
8	To consider revision in the payment of remuneration to Mr. Tarak Patel (DIN 00166183) as the Managing Director of the Company.	Special Resolution
9	To consider and appoint Mr. Günter Bachmann (DIN 0009218679) as the Director of the Company.	Ordinary Resolution

This is for your information and record.

Thanking you.

Yours faithfully,

For **GMM Pfaudler Limited**

Mittal Mehta
Company Secretary & Compliance Officer
FCS No.: 7848

Encl.: As above

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JOURNEY 2.0

ANNUAL REPORT 2020-**21**

"SUCCESS IS A JOURNEY,
NOT A DESTINATION"

BEN SWEETLAND

Contents

Over the last five decades, we have been predominantly focused on the domestic market. Now, as we have gone global, we embark on the next phase of our journey.

Investor Information

CIN	: L29199GJ1962PLC001171
BSE code	: 505255
NSE code	: GMMPFAUDLR
Bloomberg code	: GMM IN Equity
Dividend for FY21	: ₹ 5 per equity share (250%) (Subject to approval of the members at the AGM)
AGM date	: August 13, 2021
Venue	: Through Video Conference

We simply refer to this as...

JOURNEY 2.0

A leading supplier of engineered equipment and systems for critical applications in the chemical and pharmaceutical industries.

Vision

To be the preferred supplier of engineered equipment and systems to the chemical process industry

Mission

To provide high quality products, services and solutions in a timely manner

To be a reliable partner for our customers

To enhance value for all our stakeholders

Values

Accountability
To meet commitments and be responsible for all our decisions and actions

Team work
To work together by creating a positive and collaborative work environment

Performance-based culture
To consistently recognise and reward good performance

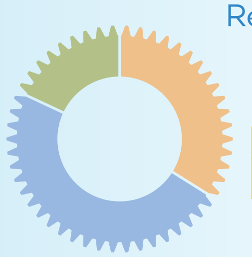
Safety
To ensure a safe working environment for our employees and business partners

Integrity
To be ethical and fair in all our dealings

Revenue

6,408
(₹ million)

Revenue split



- Pharmaceutical: **34%**
- Chemical: **48%**
- Others: **18%**

Business lines

Glass Lined Equipment

Heavy Engineering

Filtration & Drying

Mixing Systems

Engineered Systems & Acid Recovery

A one-stop-shop for high-quality corrosion-resistant chemical process equipment for the chemical and pharmaceutical industries.

Preferred choice due to state-of-the-art technology and world class quality.

4,492	62,931	3,574	65
Capital employed (₹ million)	Market capitalization (₹ million)	Networth (₹ million)	Earnings per share (₹)

Ranking on the basis of market capitalization

351	345
BSE	NSE

Servicing a growing market

Pharmaceuticals

~₹ 600 billion Capex planned over FY20-23

Indian companies moving up the value chain

India holds a vital position in global pharma

CRAMS: India to be largest beneficiary

Reduce dependency on China

Chemicals

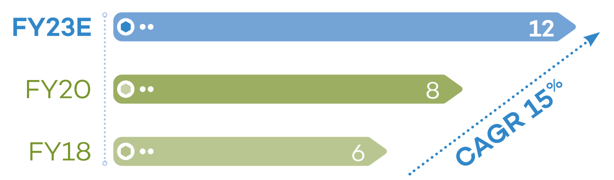
~₹ 140 billion Capex planned over FY20-23

Implementation of stringent environmental regulations in China likely to accelerate shift of manufacturing to India

Government impetus

Supportive structural drivers like local manufacturing

India: Glass Lined industry size (₹ billion)



New demand percentage in industry

85%

Over **5 decades** of manufacturing experience.

Manufacturing operations in **India** & **Switzerland.**

3 Production sites in India			1 Production site in Switzerland	700+ Team size
Karamsad	Ahmedabad	Hyderabad	Neunkirch	

About **Mavaag**

Mavag AG is a wholly owned subsidiary of GMM Pfaudler, located in Neunkirch, Switzerland.

Mavag is a supplier of highly engineered Filtration & Drying Equipment and Mixing Systems to the pharmaceuticals, biotech and fine chemicals industries.

Mavag's product range includes the state-of-the-art Spherical Dryers, Filter Dryers, Funda Filters and Magnetic Drive Agitators.

Mavag specializes in sterile and high containment applications.

FY 21

The first year of Journey 2.0

(Standalone & Mavag)

28%

Growth in Revenue

50%

Growth in EBITDA

48%

Growth in Net Profit

46%

Growth in order backlog

€6million

Acquired De Dietrich Process Systems India Pvt. Ltd's (DDPSI) Glass Lined Equipment manufacturing facility in Hyderabad in July 2020. It commenced operations in October, 2020.

$27million

Acquired a majority stake of its parent, the Pfaudler Group from the private equity firm Deutsche Beteiligungs AG Fund VI (DBAG). Acquisition completed in February, 2021.

₹585million

Acquired HDO Technologies Limited's (HDOT) manufacturing facility in Ahmedabad in March, 2021. Operations commenced in a phased manner in May, 2021.

KEY **PERFORMANCE INDICATORS**

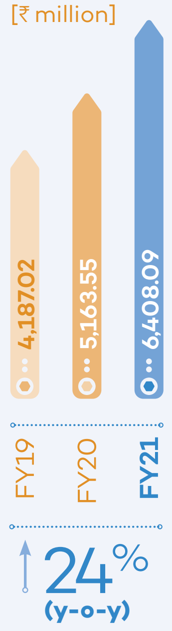
We raised our benchmark in a **tough and exciting year**

“The industries that we serve, chemical and pharmaceutical have done quite well, agrochemical and specialty chemical sectors have continuously invested in India. For global players, this is essentially their supply-chain de-risking strategy and this investment has provided considerable growth opportunities for us.”

Manish Poddar
Chief Financial Officer

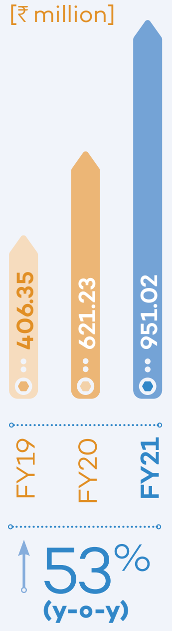
Standalone Financial Performance

Revenue
[₹ million]

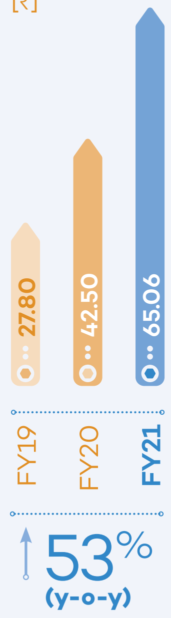


EBITDA**
[₹ million]

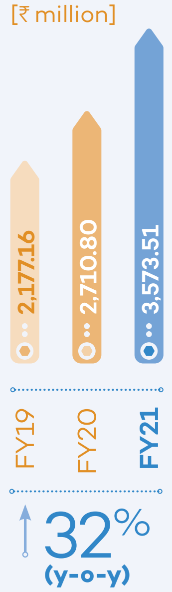
Profit after Tax
[₹ million]



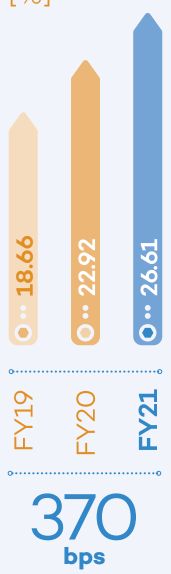
Earnings per share
[₹]



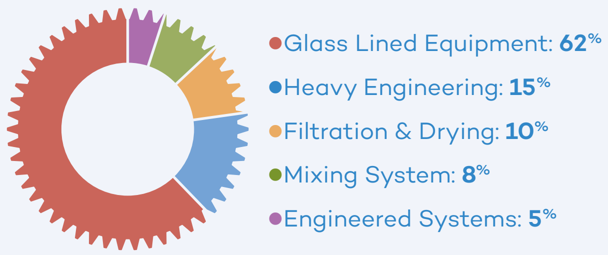
Net worth
[₹ million]



Return on Equity
[%]



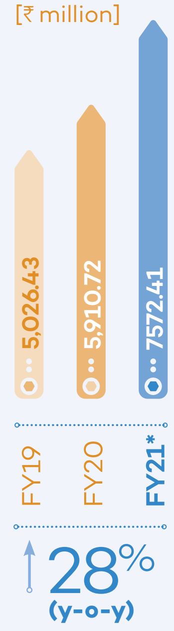
Business line-wise revenue contribution



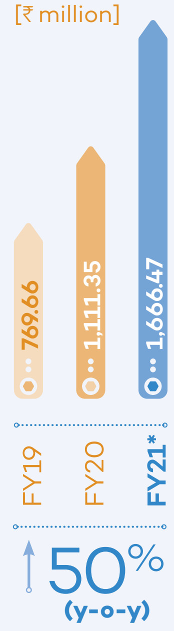
**EBITDA excludes other income

Consolidated Financial Performance*

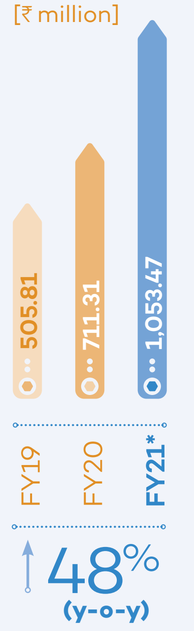
Revenue
[₹ million]



EBITDA**
[₹ million]

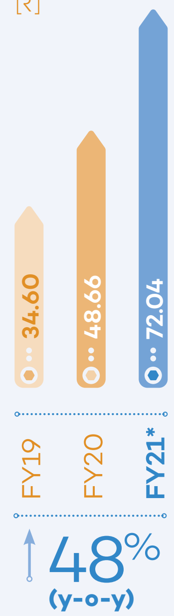


Profit after Tax
[₹ million]

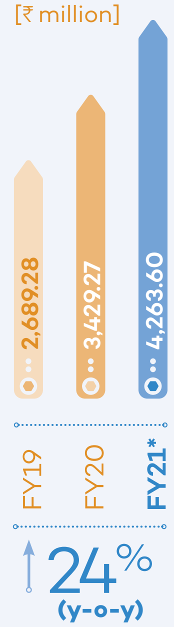


**EBITDA excludes other income

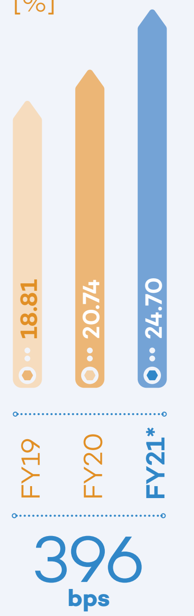
Earnings per share
[₹]



Net worth
[₹ million]



Return on Equity
[%]



*Excluding Pfaudler International acquisition

Acquisition of Pfaudler International

GMM Pfaudler acquired a majority stake (54%) in the offshore businesses of Pfaudler International (PFI) from Pfaudler UK Limited through a special purpose vehicle that was incorporated in Luxembourg by the name “GMM International S.a.r.l.” (SPV).

Of the above, GMM Pfaudler acquired 34.4% shareholding directly and 19.6% through its wholly owned subsidiary in Switzerland – Mavag AG. 20% shareholding in the SPV is held by DBAG through

	US$ million
Total Equity value	**50.8**
Stake acquired	**54%**
Stake value acquired	**27.4**
Cash accruals invested	**16.4**
Debt raised	**11.0**

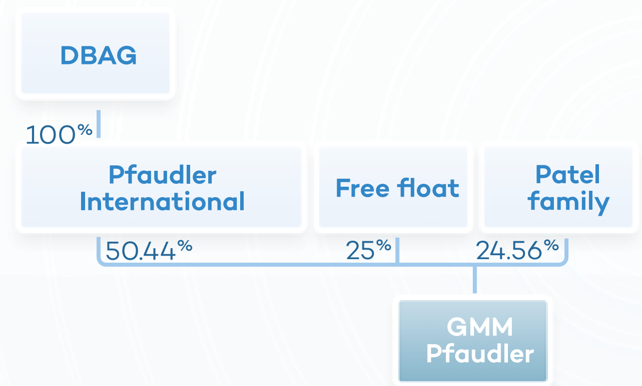
No equity dilution in GMM Pfaudler for acquisition

Acquisition debt raised at low cost – **Interest rate in the region of 2.2%**

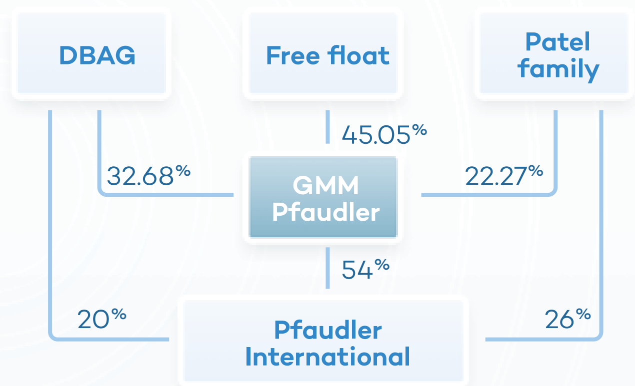
Pfaudler International S.à.r.l., Luxembourg. The remaining 26% shareholding in the SPV is held by the Patel family group through Millars Concrete Technologies Private Limited, showing continued strong commitment to the global business.

The transaction will form a fully integrated global group under the leadership of GMM Pfaudler and underlines the excellent relationship between GMM Pfaudler and Pfaudler International for over 30 years as well as the trusted collaboration between the Patel family and DBAG.

Pre-acquisition ownership FY20



Post-acquisition ownership FY21 (Acquisition completed in February 2021)



About **Pfaudler International**

Pfaudler
Defining the standard

Pfaudler International is a leading global player for corrosion-resistant technologies, systems and related services catering to the specific needs of customers in the chemical and pharmaceutical industries.

The **products & solutions** portfolio

Technologies

One-stop shop for all anti-corrosion products for various customer needs along their production chain

Strong innovation capabilities in all materials

Systems

Turnkey solutions covering pharmaceutical, energy and chemicals industry

Only supplier to provide systems from - lab to industrial scale

Two test centers to run customer processes

Services

Engineering, installation, maintenance & after sales services: Strong partner for customers over the entire equipment lifecycle

Only manufacturer of high-end Glass Lined instrumentation worldwide

Possess re-glassing expertise

Pfaudler's edge in a **large and dynamic market place**

Leading global player	Leading global player in a niche market with >20% market share
In an attractive and growing market	Attractive market dynamics with expected annual growth of 3-6% in the global chemical industry and 5% in the global pharmaceutical industry
Technology and quality leadership	Technology and process leadership, Highly reputable brands, Innovative company spirit
Fully integrated solution provider	Covers full value chain, Broad and well-diversified product and equipment solutions range, Largest field service team in the industry
Large installed base with recurring revenues	Largest installed base of about 45,000 systems, Recurring service revenues account for about 30% of total revenue
Marquee clients	Approx. 30% of Top 20 customers have been acquired in the last 10 years
Lasting relations	Steady and long-lasting customer relationships - about 70% of top customers are served for more than 20 years
Improving profitability	Improved gross margins and strict control on other functional costs has improved EBITDA margins

Modernization of production footprint, broadening of portfolio including through M&A and initiation of cross-selling initiatives

- **1884** Glasteel invented by Casper Pfaudler
- **1987** JV with GMM Pfaudler, India
- **2014** **DBAG acquisition of Pfaudler International**
- **2015** Acquisition Montz
- **2016** Acquisition PEAS
- **2017** Acquisitions Normag, Interseal, Glasskem assets
- **2018** Acquisitions acid-recovery team, Tantec sales partnership
- **2019** New plants Germany, China

GMM Pfaudler

A **global** conglomerate

Manufacturing facilities

- Brazil
- China
- Germany
- India
- Italy
- Switzerland
- UK
- USA

Sales Office

- Singapore
- France
- Mexico
- Netherlands

- Sales office: New Delhi, Hyderabad, Mumbai, Vadodara, Ahmedabad
- Service (S3) office: Vizag, Roha, Ankleshwar
- Manufacturing facility: Hyderabad, Ahmedabad, Karamsad
- Corporate office: Mumbai

GMM Pfaudler is now **a leading global player** in the highly attractive market for anti-corrosion technologies.

13
Well-invested production sites

8
Countries

4
Continents

1,500+
Employees globally

TARAK PATEL
MANAGING DIRECTOR

"From a strategic perspective, FY21 was an eventful year in our journey, we completed three important and transformative transactions."

Dear shareholders,

FY21 has been a very uncertain and difficult year for most of us. With challenges and obstacles, successes and victories, we've had our ups and downs. However, these challenges, like in the past, have helped us adapt, evolve and be more prepared for what is to come. As we bring in the new financial year there is much to look forward to.

We continued to show significant improvement in terms of revenue; we reported a standalone and consolidated revenue growth of 24% and 69% respectively over the previous year. The profit before tax on a standalone basis was up by 53%; however, on a consolidated basis was down by 26% due to acquisition related expenditure.

On the business front and from a strategic perspective, FY21 has been an eventful and memorable year. We completed three important and transformative transactions that will help us sustain business growth and continuity over the long-term.

1) In June 2020, we announced the acquisition of a manufacturing facility in Hyderabad for a total consideration of € 6 million (approximately ₹ 545 million). This facility will give us access to ready-made Glass Lined Equipment manufacturing capacity, which will further strengthen our presence in the region. We are now well poised to better serve our customers in the South and take advantage of the expected investment in the upcoming Pharma City in Hyderabad. We have commenced operations at this unit on October 19, 2020.

2) In August 2020, we announced the acquisition of a majority stake in the global business of our parent, the Pfaudler Group for a total consideration of US$ 27 million (approximately ₹ 2,015 million). This transaction is unique from a business perspective, as it will bring synergies at different levels within the organization. We consider this a strategic move into the global chemical and pharmaceutical markets that will create value for all stakeholders and is aligned to our commitment to further invest and grow the business. This acquisition will also allow us to chart our own course and control our destiny and at the same time de-risk our dependence on the Indian market. On a personal level and as the third generation of a family business that began in 1962, it is a moment of great pride to see GMM Pfaudler enter the global stage.

3) In March, 2021, we announced the acquisition of a manufacturing facility in Ahmedabad for a total consideration of ₹ 584 million. This state-of-the-art facility will significantly enhance our capacity in Heavy Engineering, while freeing up capacity in Karamsad to expand our Glass Lining business, perfectly fitting into our long-term goals of expanding both these business lines.

It was a very timely opportunity as we would have run out of Heavy Engineering capacity by the end of the current year and a new factory would take anywhere between 24-28 months to become operational. We have commenced operations at this unit on May 24, 2021.

"This is the inflection point in our journey as it catapults **GMM Pfaudler from being a predominantly Indian company to becoming a global powerhouse in the corrosion resistance space.**"

As one journey ends, another one begins. In FY22 we will be embark on our Journey 2.0. As we join hands and begin working closely with the Pfaudler group, I am particularly excited of what we can achieve together. With 13 manufacturing facilities across 8 countries and employing more than 1500 people, GMM Pfaudler is now truly a global business.

Being a global business comes with its own set of challenges, however I am confident that we will rise to the occasion and create value for all our stakeholders.

CONTINUED ON THE NEXT PAGE

When we began thinking of this acquisition, we came up with three areas that we believe would create synergies and help improve revenue and profitability.

Value Sourcing, Operational Excellence and Cross Selling are the three simple pillars of our integration efforts.

Value sourcing will focus on using low-cost production sites to improve market share in price sensitive markets, operational excellence will focus on improving throughput across our manufacturing sites and cross-selling will focus on selling a wider range of products to our existing customers. The integration process will take time and will need constant monitoring. However, having worked with Pfaudler International for nearly two decades, we are well aware of their culture, systems and processes. Moreover, the senior management team of the international businesses are completely aligned and will continue to be part of our journey 2.0. The journey ahead of us is indeed exciting. Our passion, professionalism and perseverance of working with our customers, partners and with each other, provides us with an exceptional outlook for the future.

When COVID-19 hit India in March of last year, most businesses were facing unprecedented times. With the subsequent nationwide lockdown, work from home became the new norm, supply chains were thrown into chaos, our customers postponed investments decisions and logistics and transportation came to a standstill. Our immediate focus was not only on business stabilization and continuity, but also on the health and wellbeing of our employees. We launched multiple initiatives that would keep the safety, motivation and the well-being of our employees at the forefront.

As part of our Covid relief efforts, we provided financial assistance to Shree Krishna Hospital, Karamsad, Gujarat for setting up 20 ICU Beds, 9 Non-invasive Ventilators and 9 High Flow Therapy machines. Our contribution has helped Shree Krishna Hospital, a designated COVID treatment facility in providing critical care to COVID patients in and around Anand, Gujarat.

As a responsible corporate citizen, our Company is committed to improve and enrich the lives of the communities that we operate in through sustainable development and inclusive growth. As per our Company's CSR policy, we will continue to focus on issues relating to healthcare, education and the environment

We are thankful for all the hard work that our CSR partners, Charutar Arogya Mandal, JVP ITI and ReefWatch Marine Conservation continue to put in, tirelessly working to improve the economic, social and environmental aspects of our society.

I have always believed that our employees are our most important asset. Without their hard work and determination, we would not be where we are today. They have always risen to the challenge and even today, as I write this letter, I must convey my heartfelt gratitude and recognize each and every one of them for the incredible effort that they have put in during these challenging times.

Before I conclude, I would like to place on record my appreciation to the Board of Directors for ensuring effective corporate governance and thank them for their continued support and guidance. I would also like to acknowledge all our employees, customers, supplier partners and shareholders for their support and faith in GMM Pfaudler. Thank you for being a part of our exciting journey.

"We stand firm in our commitment to build a sustainable business and deliver value to all our stakeholders."

Warm regards

Tarak Patel
MANAGING DIRECTOR

PFI: A compelling value add to GMM Pfaudler

Pfaudler International (PFI) brings immense value to the table which, over the medium-term, promises to enhance GMM Pfaudler's business prospects considerably.

1

Combine complementary portfolio of adjacent businesses to diversify the strong Glass Lined equipment business

PFI's product basket comprising technologies, systems and services complement GMM Pfaudler's existing portfolio perfectly. It widens GMM Pfaudler's product, allows it to expand its sectoral bandwidth, explore cross selling opportunities and enhance wallet share with existing customers. Business growth would be a natural corollary.

1. TECHNOLOGIES

PFI offers a wide range of Glass Lined and alloy technologies complemented by additional strong and established brands.

Selected Glass Lined technologies	Selected alloy technologies	Strong & established brands
REACTORS DIN standard, pharma, laboratory	PRESSURE VESSELS Solid / liquid separation, reactors	EDLON FLUOROPOLYMERS Fluoropolymers for corrosion resistance, high purity, low friction and non-sticking
PROBES, SENSORS Temperature, pH / ORP, conductivity	AGITATED REACTORS Mixing components	NORMAG LAB & PROCESS GLASS Lab and process systems in borosilicate glass
MIXING TECHNOLOGY Drives, sealing units	COLUMNS Temperature, pH / ORP, conductivity	INTERSEAL SEALING TECHNOLOGY Maintenance-free shaft seal technology
OTHERS Storage vessels, heat exchangers, columns, conical tumble dryers	HEAT EXCHANGERS Pipes and fittings, valves	

2. SYSTEMS

PFI's systems offering includes a complete integrated system including process, equipment, insulation, instruments and controls.

PFAUDLER GLASS-LINED & ALLOY SYSTEMS	Chemical reaction-based systems
Glass Lined or alloy wiped film evaporator systems	Safe handling of hot, concentrated acids
MODULAR UNITS Reactor systems, column systems, thermal control units, heat exchangers	

3. SERVICES

PFI comprises a comprehensive service offering with systematic lifecycle orientation which not only warrant that equipment operate as per the given performance parameters, but also add to the equipment's operating life.

Service offering		
ENGINEERING	MAINTENANCE & AFTER-SALES	INSTALLATION, COMMISSIONING, START-UP
Consultancy services, Pilot testing / toll operation, Process engineering	Maintenance, Troubleshooting, Glass inspection, reglassing & repair, Shutdown services, Spare/ replacement parts, Sealing technology exchange, Renewal program	Planning, Project management, Installations

2

Join forces in R&D to secure the group's global innovation leadership

Pfaudler International has been at the forefront of innovation, a niche which has enabled it to sustain healthy business relations with marquee global brands and strengthen its dominance in its business space. The Company has a team focused on designing and developing equipment today that will become a benchmark tomorrow.

The merger paves the way for a co-ordinated approach to combine Pfaudler International's strong innovation tradition with GMM Pfaudler's successes in expanding into adjacent product categories.

It will solidify GMM Pfaudler's leadership position in the Glass Lined reactor market (e.g. Smart Glass) and create an opportunity to enter adjacent markets (e.g. cathode sheets, water probes).

A strong innovation pipeline with several upcoming product launches

Smart Glass	Innovative, patent-pending Glass Lined technology for reactors with thinner adhesive layer, energy savings for customers of up to 18% through improved heat transfer, Improved sustainability based on cobalt-free Glass Lined technology
Corrosion-resistant cathode sheets for metal extraction	Novelty Glass Lined stainless-steel cathode sheets used in acid baths - prototypes currently successfully in operation by anchor customer, New adjacent product application with significant revenue potential based on existing technological expertise
Corrosion-resistant probes for groundwater monitoring	Development of innovative pH-probes for groundwater applications, combining leadership in corrosion resistance with measuring know-how, Additional revenue potential from possible future application to probes used in battery technology

Pfaudler International has a Strong innovation pipeline with several new products to be launched in the next 1-2 years.

Transition and **Integration**

In February 2021, GMM Pfaudler acquired majority stake in the global business of Pfaudler group. For a business that has primarily been India-centric, making its presence felt at the global stage through such an acquisition is a big milestone. However, this is just the beginning of the journey and a lot of hard work is needed to realize all the benefits envisaged. At an infrastructure level, the acquisition combines people & plant operations across four continents. More importantly, this brings together diverse set of cultures, objectives, systems, processes and technologies. Driving comprehensive change management across the various entities to turn these into a cohesive force is going to be very critical.

Understanding this reality, GMM Pfaudler launched Project Apollo with the objective of company-wide integration.

Phase 1	Phase 2	Phase 3
PLANNING	EXECUTION	CONTINUOUS IMPROVEMENT
• A steering committee and Project Management Office (PMO) was formed to drive a company-wide integration project • Project Apollo was formally launched on March 1, 2021 with teams from across continents	• Detailed project charters were defined for the key initiatives • Established governance mechanism, targets and timelines for each project • Regular reviews with PMO and steering committee were established	• Set-up governance mechanism to ensure continuous improvement • Review and monitor progress on a regular basis • Continue value creation by realizing synergies and performance improvement across geographies

Realising synergies

GMM Pfaudler and Pfaudler International are a perfect fit in terms of products, customers and markets, cross pollination of which would result in significant gains for the entire group. The team is working on realizing synergies through the three initiatives: **1) Value sourcing to improve market share and profitability, 2) Operations Excellence across plants and 3) Cross Selling.**

OPERATIONAL EXCELLENCE	VALUE SOURCING	CROSS SELLING
Implement GMM Pfaudler's proven operational excellence model globally	Sourcing of components for global consumption from cost efficient manufacturing centers e.g., India	Eliminate all sales restrictions on GMM Pfaudler for international sales
Creation of "Centers of Excellence" will standardize manufacturing process globally and implement the best practices across plants	Supply of steel vessel from India to other geographies, leveraging India's low cost of production while maintaining highest quality standards through European Glass Lining excellence	Expansion of product offerings to service a customer's needs more comprehensively through the bouquet of offering
		Localization of products and technologies e.g. Interseal to expand markets and customers

GMM Pfaudler has already realised the first break-through in the cross-selling space. Having spent more than 30 months in the Acid Recovery space, the company received its first order in the first quarter of FY22. While the technology is from Pfaudler International, the design and fabrication will be in India. It should be commissioned in the next 12-14 months. This achievement positions GMM Pfaudler as the only player in this space in India with capabilities to design, develop and deliver large capacity equipment. It allows the GMM Pfaudler to capitalise on opportunities coming from both, government sector and private players.

The company has also received orders for its Indian built vessels to be sold in Europe. These specific markets in Europe are very price sensitive which were traditionally not catered by Pfaudler International due to the pricing challenges. By leveraging the lower cost of production in India, GMM Pfaudler is able to meet the requirement of this price sensitive segment.

Further, in its endeavour to bring the best technology to India, the company recently launched a variety of seals under its Interseal brand in the Indian market. These seals leverage proven German technology to deliver better sealing performance in the pressure vessels. These have been localized and are being manufactured in India for the Indian market.

ESG at GMM Pfaudler

Our vision for a better future - to emerge as an industry leader promoting responsible manufacturing, employee safety, environmental and social welfare with effective corporate governance practices to nurture long-term business sustainability.

Environment, Social and Governance Policy

GMM Pfaudler's ESG Policy statement outlining its commitment is as below:

ESG Policy Statement

GMM Pfaudler believes in continuous improvement and working to promote harmony with the society and natural environment and is committed to:

Environment

- Embed environmental and climate change related risks into its wider risk identification and mitigation measures
- Undertake materiality assessment periodically to identify current and future critical risks and new opportunities for the long-term sustainability of business
- Strive for continuous improvement via various environmental safety and sustainability initiatives
- Focus on incorporation of renewable energy sources to reduce emissions and dependency on fossil fuels
- Create awareness about, conserve and protect biodiversity in and around the areas where GMM Pfaudler is operating by greenbelt development and marine conservation projects in cooperation with relevant stakeholders

Innovation

- Undertake regular assessments for existing products and services to understand the impacts and identify opportunities for improvement
- Work and identify opportunities to develop new products, processes and services which can enable the customers to incorporate environmentally conscious manufacturing practices

Sourcing

Engage with suppliers regularly to work on improving the sourcing activities and supply chain, including legal compliance and impact of its supplier's business on society and environment

Manufacturing

- Upgrade its management systems, processes and technology to improve resource consumption efficiency during manufacturing
- Identify and incorporate measures minimal waste generation and promote integration of concepts of reduce, reuse and recycle

Corporate functions

- Periodically auditing the status of compliance with applicable legislations and investigate incidents, if any, to prevent recurrence
- Instill health, safety and social considerations in its operations to create a safe and inclusive work culture for all employees
- Ensure that stakeholders are cognizant of GMM Pfaudler's ESG Policy and endeavors undertaken for the incorporation of principles of ESG to create awareness
- Strive to ensure good governance, ethics and transparency in its endeavors to promote responsible business practices
- Foster a positive culture through various engagement activities for skill enhancement with employees, contractors, suppliers and local community for holistic development and career progression

GMM Pfaudler, being a preferred supplier globally for Glass Lined equipment, believes in operating sustainably, responsibly and in a way that enables us to create a positive impact for all our stakeholders. As the year 2020-21 turned out to be an extraordinary year for the Company owing to the COVID-19 related disruptions, we realize the need to further analyze and redefine our approach towards the principles of ESG i.e., **E**nvironmental, **S**ocial and **G**overnance aspects of our business to grow and sustain for a long period of time.

GMM Pfaudler

RESPONSIBLE BUSINESS

Resilience and Leadership

- Working towards emerging as a market leader and nurturing the leadership position
- Strategies to instill resilience and operational efficiency in the business to navigate through testing times

Workplace Culture

- Consistent training & development opportunities for employees
- Stringent health & safety protocols
- Employee recognition programs
- Initiatives to promote communication & interaction within the organization

Environmental Stewardship

- Measures to minimize operation impact on the environment
- Efficient and optimum utilisation of resources with enhanced focus on renewable alternatives

RELIABLE PARTNER

Product Quality & Safety

- Sourcing best-in-class raw materials to ensure product quality
- Dedicated focus on the product safety for customers

Customer Centricity

- Emphasis on customer feedback to understand customer expectations and identify areas for improvement
- Offering technical support to customers to help them meet their product requirements as well as achieve energy consumption goals

Accreditations & Certifications

- ISO compliant Management System
- Recognized with 14 international accreditations that enables us to operate in different geographies across the world

TRUSTED SOURCING

Supplier Culture & Relations

- Maintaining and retaining long-term relationships with suppliers for over 50 years
- Well-established Supplier's Code of Conduct to ensure adherence with pre-defined protocols
- Implementation of various supply chain practices and initiatives
- Incorporation of stringent anti-corruption norms throughout the supply chain

COMMUNITY WELFARE

Supporting communities

- Recruiting people from local areas to accelerate employment opportunities for the surrounding communities
- Provision of essential skill-based training in association with a training institute to youth residing in the plant area with an aim to enhance their employability competencies
- Contributing towards medical facilities to extend necessary support to the underprivileged population
- Increased focus towards providing health support during the COVID-19 pandemic

As our strategy to steer sustainable development in our organization, we have taken efforts through well-designed strategic plans that are directed towards growing our profitability along with environmental and societal welfare while also ensuring that the Company operates ethically with a sound corporate governance in place. To this end, GMM Pfaudler initiated and implemented a series of 'five-year strategic plans' aimed at achieving profitability and emerging as a market leader while driving value for our communities. These plans also act as milestones portraying GMM Pfaudler's ESG journey so far.

Our ESG milestones

Mission 2020

In 2015, GMM Pfaudler launched its first five-year strategic plan titled 'Mission 2020', that endeavored to take a focused direction towards growing profitably while creating value for all stakeholders. During the initiative, we identified and set ambitious targets that centered around various aspects of our business including revenue and profitability and implanting long-term sustainability in our organization. The objective was to transition GMM Pfaudler into a market leader and nurture the position in the forthcoming years. The initiative also focused on collaborative working by involving all our employees in the Mission 2020 journey to instill accountability and responsibility in the business.

Some of the key year-wise highlights of Mission 2020

FY16	Initiation of Mission 2020 to focus on aspects of the business such as revenue and profitability targets, to assign key result areas to each division and individuals to work together as a team
FY17	'Shaping our Future', to grow in line with Mission 2020's objectives, the organization structure was aligned to support the strategy implementation and strengthen 'GMM Pfaudler's DNA for Success'. Leadership and Talent Management initiatives were identified to undertake developmental needs of the internal talent and groom the internal talent pipeline in alignment with the business strategy
FY18	Accelerating growth, to drive cost consciousness throughout the organization by using innovative methods and technologies to improve efficiencies and reduce costs
FY19	By tightening up systems and processes to reduce wastes (both materials and time) and therefore, decrease costs, the aim was to make business more efficient for 'Achieving Excellence'
FY20	With enhanced ability to anticipate market trends, ramp up of production capacity to meet the increasing demand was facilitated to maintain our leadership position in the Indian market towards 'Scaling New Heights'

UDAAN

Subsequent to our 'Mission 2020' effort, we implemented our second strategic plan named **'UDAAN'**, which was launched in January 2020 with the aim to extend our efforts towards overall sustainable development of the Company. With an effective action plan, we expect to create value for our stakeholders while continuing to focus on the organizational growth.

Through UDAAN, we have decoded our comprehensive plan for ensuring a holistic development of the Company by focusing on people, environment, quality and business resilience. The UDAAN model depicts our willingness to achieve the following goals, which are critical to the organization's long-term success.

The UDAAN model:

- **U**nite towards a common goal
- **D**evelop into an environmentally sustainable company
- **A**dopt world-class quality standards
- **A**ttract and retain talent
- **N**avigate through challenging situations

Further to the acquisition of Pfaudler group, the initiatives implemented under the UDAAN model will be modified to align with our changing sustainability objectives. Some of the key highlights of UDAAN during the FY21 are-

Environment

As a manufacturing company, GMM Pfaudler recognizes its responsibility to manage and limit its impact on the natural environment. Some of the critical environmental and ecological risks that arise due to manufacturing activities are related to emissions, effluent discharges and waste generation. If precautionary measures are not implemented at the initial stage, these risks have substantial implications on the air quality, water quality and marine biodiversity. We strive to manage and monitor these areas of our business to protect the environment and the communities in which we operate.

Reducing Impact

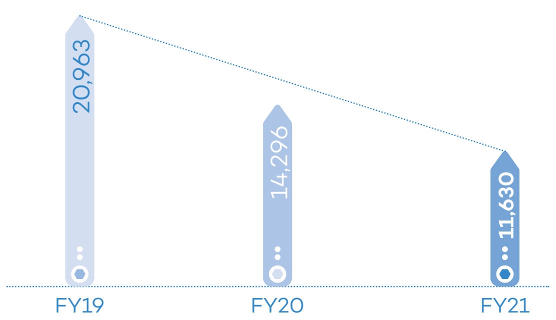
Environmental risk review is an essential part of our decision-making process and we assess the performance of all our assets individually and every acquisition opportunity is considered with a broad range of risks in mind. For us, operating responsibly is a critical priority. We have prohibited usage of single-use, non-biodegradable plastics within our premises and abide by the stipulations mentioned in the Consent to Operate conceded by the Gujarat Pollution Control Board (GPCB). We have undertaken measures to reduce waste generation at every stage of the manufacturing cycle and generate minimal quantities of waste. This waste is sent to a facility, which is a Common TSDF (Transport, Storage and Disposal Facility) for disposal to ensure compliance with all the legal requirements and without any adverse impacts on the natural environment.

1563MT

Non-hazardous waste recycled in FY21

We strive to mitigate our operational impact on the surrounding environment, value the natural resources available to us and endeavor to utilize them optimally. To this end, we place a great emphasis on the water resource and focus on its careful utilization. We require significant amount of water during the hydro-testing process, which is essential to check the quality of our products. This water is stored in large tanks and reused during multiple testing cycles. Furthermore, the water, which cannot be used further is sent to our in-house Effluence Treatment Plant (ETP) for treatment. The treated water from ETP is utilized for maintenance of the Greenfield area within our plant's premises.

Water consumption [KL]



80,000^LTR

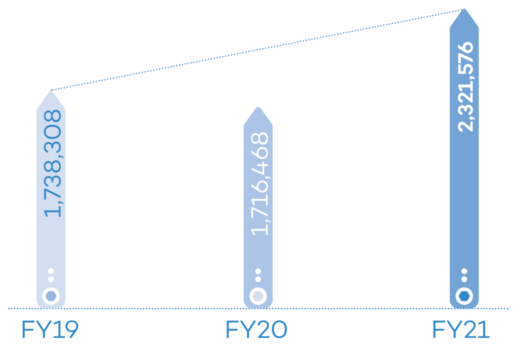
Water purification capacity of ETP at Karamsad plant

40^KL & 65^KL

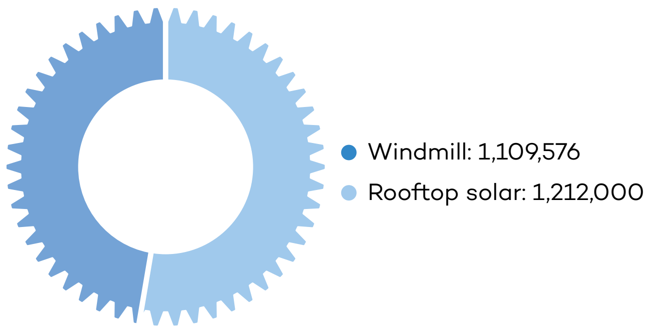
Capacity - Two Rainwater Harvesting Wells installed during FY21

At GMM Pfaudler, technological advancements play an integral role when it comes to energy efficiency and emission control. We are working towards the enhancement of our resource consumption efficiency and reducing the dependency on fossil fuels for energy requirements. We are implementing measures that will improve our energy efficiency levels such as using solar power, wind energy and shifting from electrical furnaces to Natural Gas furnaces, which are imported from Japan and are required during the manufacturing process.

Total renewable power generated [kWh]



Renewable power generation sources for FY21 [kWh]



GMM Pfaudler regularly reviews the processes and various activities undertaken within the facility for identification of risks, which allows us to establish suitable safeguards and to prepare ourselves from the uncertainties surrounding our business. As a practice, the Company evaluates future regulations based on the risks and opportunities that can affect operations such as disruptions due to climate change, the impact of COVID-19 and amendments in legal stipulations. Our aim is to have a modern manufacturing facility with a low carbon footprint.

Additionally, we take sincere efforts to imbibe the culture of environment-friendly practices within the organization. Over the years, GMM Pfaudler has implemented projects focused towards effective utilization of resources and improving its operational efficiencies to increase the production capacities within the existing facilities without any expansions under project operational excellence. The Company has undertaken various initiatives for energy and water saving within its premises, where obsolete technology was replaced with better, more efficient alternatives such as replacement of old air conditioners, installation of sensor-based bore operation control systems, sprinkler system to utilize STP (Sewage Treatment Plant) treated water for gardening, replacement of regular taps and valves by push-type substitutes to regulate the amount of water being used and Variable Frequency Drives (VFDs) for optimization of energy consumption. Apart from these, GMM Pfaudler has also implemented the concept of 'paperless office' with an aim to reduce the usage of paper.

Environment-friendly Investments

To support our endeavor of emerging as a world leader in the glass lined equipment industry, we made strategic investments in two brownfield projects during FY21. These investments were in line with our efforts towards being an environmentally sustainable organization following our belief that investing in an existing facility is a more conscious decision when compared to starting a new project. The facilities acquired were on the verge of closure being scrapped and through this initiative, we are promoting the concepts of reusing and recycling. Our aim was to minimize waste generated due to construction activities, preventing increase in urban sprawl and promoting green space preservation.

Leveraging Technology for a Sustainable Future

Power & Energy Efficiencies through Mixion

Our Approach:

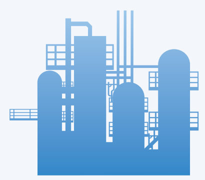
Towards our continuous efforts of being an innovation-led Company, we have introduced an offering in our product segment, Mixion. Through this segment, our team focuses on the development of engineering solutions, which can be customized to meet the requirements of our clients without having a significant impact on their energy or raw material consumption.

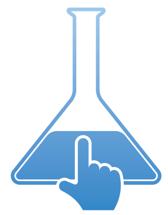
About Mixion:

Under the Mixion label, we offer a wide range of high-efficiency agitators to the Pharmaceutical, Agrochemical, Specialty Chemicals, Minerals & Metals, Paints & Inks, Pharma & Biotech, Power Generation, Food & Beverage, Paper & Pulp and Petrochemical & Refineries industries.

Benefits & Outcomes:

- Enhances power and energy efficiencies
- Leads to optimum heat transfer, uniform dissipation of energy and low energy demand
- Small and compact systems
- Hassle-free maintenance





Managing Waste Acids through our Acid Recovery Offering

Backdrop:

The manufacturing process in chemical industry requires different acids for activities such as a catalyst for the reaction. These processes generate significant quantities of diluted acids, which contain organic and inorganic impurities, which is why companies cannot use these acids without treatment. These acids are generally known as 'spent acids' and require disposal as per the Rule 9 of the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

Our Approach:

We recognize the situation as an opportunity to provide our clients with solutions for recovering the 'spent acid' and promote the concepts of reuse and recycle while enhancing resource efficiency. We have introduced a new business segment, which focuses on the challenges that the chemical industry faces with disposal of liquid wastes.

Benefits & Outcomes:

- Eliminates the need to send dilute acid to traders for neutralization, which leads to cost reduction
- Results in saving concentrated sulfuric acid

Case Study: Collaboration with the ReefWatch Marine Conservation

Re(ef) Generate

The Backdrop:

With carbon emissions increasing every year and the excess carbon causing heightened sea surface temperatures as well as changes in ocean chemistry, 75% of the world's coral reefs are classified as 'threatened'. Coral reefs are also simultaneously being threatened by more local level factors such as coastal development, deforestation of mangroves, overfishing, sewage and other forms of nutrient overloading, anchor damage and tourism-related damage.

Project Location:

Andaman Island

Our Approach:

- Re(ef) Build: Using physical and biological restoration methods, which involve attaching naturally broken coral fragments onto metal structures under the water that are connected to a mineral accretion device to help corals grow faster into an extension of the natural reef
- Re(ef) Grow: Involves micro-fragmenting coral into small pieces that stimulate them to grow faster and then fusing them back together

Benefits & Outcomes:

- 9 structures on the artificial reef populated
- Visible increase in the growth rate of branching coral species followed by other types was seen
- An average growth rate of 6.72 cm in boulder type corals, 9.65 cm in branching coral species and 8.23 cm in encrusting coral colonies was recorded

Karnataka Coastal Conservation Project

The Backdrop:

Karnataka has a coastline of about 320 kilometres and is one of 9 coastal states and 4 Union territories that form the coast of India with several resident and transient species of Marine Megafauna, including endangered and vulnerable species such as Sea Turtles, Dolphins and Whales.

Our Approach:

- Organized a Nirvana Beach Festival to promote reduced utilization of plastic along with beach cleaning drives every Sunday along the coast where volunteers from local communities come together to collect waste from the beach, segregate and dispose it off correctly
- A two-bedroom house taken on rent to create a base for the Karnataka Project and 2 turtle rehabilitation tanks were built to house any injured or sick marine animals that are found stranded on the coast
- A Marine Stranding Volunteer Network of 72 individuals was formed with the Karnataka Forest Department staff, including RFO's, Guards and Watchers in Coastal Districts along the coast of Karnataka
- All strandings were reported to the local Forest Department Office for documentation and samples were collected for analysis by researchers at IISc Bangalore

Benefits & Outcomes:

The Marine Stranding Network was able to identify 41 cases of Marine Megafauna strandings, which were treated, rehabilitated and released during the year.

Case Study (Continued)

Women's Livelihood Development Project

The Karnataka Coastal Project has also initiated a livelihood project that endeavors to benefit from an added source of income, especially those hailing from single income families. The Kundapur stretch of beach is 20 km long and an average of 400 tonnes of waste is estimated for this stretch. The project aims to work with women belonging to single income families who rely on fisheries for income. To this end, indirect employment is provided to women in the community who can collect the waste from the Kundapur Coast.

Benefits & Outcomes:

- Provides direct employment to local women
- Indirect employment for up to 50 families in Phase 1
- Facilitates cleaner surroundings

Social

Our Company has a broad range of stakeholders, which includes customers and clients, employees, members of the communities we serve, regulators and policymakers, shareholders and suppliers. We strive to have a consistent and meaningful engagement with these groups to gain insights on their needs and understand their views on our practices and performance. Engaging with various stakeholder groups is one of our top-most responsibilities widely shared across our lines of business and corporate functions.

Employees

We believe that our employees play a critical role in the growth story of our organization. It is their constant commitment and dedication that has translated into the success of our Company in all these years. At GMM Pfaudler, the manufacturing process consists of various stages, which are labor intensive owing to the fragile nature of the raw materials used. Therefore, the skill sets and competencies of our employees play a pivotal role in maintaining the correctness of the process as well as the quality of our products. Therefore, we ensure skill development through regular training and development activities.

In order to ensure the well-being of our employees, both mentally and physically, we regularly monitor and undertake several measures to confirm that our people operate in a safe and cordial workplace. Some of the measures taken by our team include mandatory usage of the personal protective equipment (PPEs) as per the work requirement, availability of a counselor for mental wellbeing and adherence to all the safety standards across different business functions to minimize the likeliness of workplace hazards.

Apart from this, while we aim at bolstering workplace diversity, we also intensify our focus on having a secure workplace for our female employees where they can operate freely without worrying about their safety. To ensure this, we implement Prevention of Sexual Harassment (POSH) trainings at our organization to foster a dignified and protected work environment for women.

10

Online Trainings organized for Skill Development during FY21

124

Total number of trainings hours spent during FY21

217

Employees availed the benefits of **Skill Development Trainings**

Employee Engagement and Appreciation Initiatives

Our Approach:

We recognize the importance of contributing towards our employees' growth and welfare. Therefore, we have implemented various initiatives to engage and interact with them with an objective of staying connected with our workforce and understanding their expectations.

Our Initiatives:

Parivartan - An online feedback mechanism, which provides a platform to conduct an employee satisfaction survey on yearly basis. Through this initiative, the employees rate their managers on three aspects - alignment, affiliation and achievements. These ratings are then used for preparing a scorecard, which is a comprehensive view of the manager's performance during the year. Furthermore, this scorecard is used during the appraisal process to decide the eligibility for promotions and incentives.

Success Behaviors - An initiative to identify individuals who perform exceptionally well and create a successful career path for them.

iAppreciate - The program is a part of our rewards and recognition program. Under this initiative, the concept of peer-to-peer recognition along with manager recognition is being practiced and promoted. Employees showing extraordinary efforts, dedication towards their work and responsibilities are awarded with appreciation cards, gift certificates and vouchers, which leads to enhanced levels of motivation and productivity among employees.

Communities

For GMM Pfaudler, the local communities present in the areas in which we operate, play a significant role as their support is essential for the success of our endeavors. To contribute towards improving the quality of life of our local communities, we have engaged with non-profit organizations to understand their issues and expectations and explore ways in which we can help. Towards this, we have formulated a policy for Corporate Social Responsibility (CSR) and have established a focused CSR Committee. The Committee's responsibility is to work on crafting a symbiotic relationship to solicit feedback for shaping the initiatives.

To ensure a comprehensive development of our surrounding communities, we also emphasize on hiring local talent and enhance their skill sets via in-house trainings imparted by our experts. Also, we are associated with a local industrial training institute, which provides trainings in the areas of skill development to support the young talent residing in close vicinity to our plant and provide them with better employment opportunities.

364

Students imparted vocational training during FY21 for **Solar Panel Installation, Fitter Fabrication and Draughtsman Mechanical**

Healthcare

Healthcare has always been our topmost priority in our endeavor to ensure consistent development of society. We believe that access to reliable healthcare is fundamental to the long-term progress and well-being of the society. Therefore, our CSR initiatives continuously strive to work in the areas of providing quality healthcare facilities to the people residing in rural areas where there is a limited availability of such facilities. In this pursuit, we have implemented Project SPARSH that aims to promote rural healthcare through our partnership with Charutar Arogya Mandal. Additionally, the program has donated a Mobile Clinic to extend health outreach facilities across 100 villages in Anand and Kheda districts of Gujarat.

In the unprecedented event of the COVID-19 pandemic, we spurred our efforts by providing financial assistance for setting up hospital beds for critically infected patients at Shree Krishna Hospital and Medical Research Center, Karamsad, Gujarat.

Details of assistance provided in response to COVID-19:

4,500

People covered under the **chronic disease awareness campaigns**

2,266

Medicine Packets distributed across **150 villages**

20

ICU beds

9

Non-invasive ventilators

9

High Flow Therapy machines

Contributing Towards Social Development

Our Approach:

Through our responsible investments in Hyderabad and Ahmedabad, we have contributed towards the development of the surrounding communities by providing them with employment opportunities to people residing near the plant location and contributing towards the upliftment of local communities. Furthermore, we have offered relevant training to employees to enhance their professional skills.

79

Employees at Hyderabad Plant

21

Employees at Ahmedabad Plant

Governance

Our governance structure and processes strive to promote accountability, transparency and ethical behavior amongst the employees. In order to maintain our governance standards, we regularly evaluate ourselves to identify areas for improvement to help us operate at the highest levels of performance in everything we do while adhering to the pre-set guidelines. We have carefully devised our corporate policies that assist us in conducting our operations in accordance with the pre-established guidelines and protocols.

Moreover, these policies navigate us through the decision-making process as well.

Our Board is a combination of seasoned executive experience and skills that are essential for our business and growth strategy. Our Board, which consists of nine directors, oversees the Company through six principal standing committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder's Relationship Committee
4. Risk Management Committee
5. Corporate Social Responsibility Committee
6. Internal Complaints Committee

Our Governance Principles and the charters of the Board's standing committees establish a framework for the governance of the Board and oversight of the Company. Each committee plays a key role in reinforcing our commitment to doing business in accordance with the highest corporate standards.

In addition to this, each of our Board's standing committees oversee a range of matters pertaining to our endeavors towards meaningful ESG integration. For example, the Nomination and Remuneration Committee reviews and approves the remuneration and oversees the diversity amongst the Board members. The Corporate Social Responsibility Committee provides oversight on community development and the impact our Company has on its stakeholders.

Our management structure is designed to encourage effective leadership, which is aligned with our standards and contributes towards the creation of a strong corporate culture. We manage our Company on a line-of-business basis, while maintaining the corporate functions and governance of the subsidiaries. Our Board of Directors is the most senior management body, which is responsible for developing and implementing corporate strategy along with managing the operations.

Furthermore, our governance procedures and control mechanisms are imperative to minimize emissions, safeguard health and safety and implement anti-corruption measures. All our employees have access to and are trained in relevant policies periodically to guide them in their daily operations.

Mainstreaming Reliability in our Practices

At GMM Pfaudler, our plants are ISO certified. Apart from this, we have been recognized with 14 international accreditations, which is a testament to our commitment to quality, service and reliability. These accreditations are a gate-pass that enables us to explore and enter new geographies and cater to the diverse needs of the international customers. Furthermore, the accreditations also reflect the overall safety of our plant and the products that we manufacture. We take resolute efforts in ensuring that our systems and processes are immune from any kind of manufacturing hazards. As a result, no major incidents have been reported on our plant premises during the year under review. In addition to this, we have stringent protocols to ensure product quality and safety through which we monitor and assess the reliability of our products before handing it over to our customers.

Our Accreditations:

We have been recognized with the following certifications that reflect on our seamless customer service, best-in-class product quality and robust systems.

Certificates

- ISO 14001
- ISO 45001
- ISO 9001
- U STAMP
- U2 STAMP
- R STAMP
- NB STAMP
- PED
- AD2000-MERKBLATT HPO
- DIN EN ISO3834-2
- CHINA SELO
- KOREAN CERTIFICATE
- IBR CERTIFICATE
- ECOVADIS RATING CERTIFICATE

Alignment with the UN Sustainable Development Goals

As part our strategy to integrate the fundamentals of sustainability in our system, we are always looking forward to exploring and adopting global best practices and standards to create a meaningful value through our initiatives. Therefore, at GMM Pfaudler, we have identified and adopted critical goals outlined by the UN Sustainable Development Goals (UN SDGs) with an aim to foster long-term success and value for all our stakeholders. Our purpose is to strategically blend the environmental and social aspects into our business model to create true value for the organization, environment and society.

Initiatives Undertaken in line with the SDGs:

Focus Area	UN SDG	Our Initiatives
Long-term Sustainability	9 INDUSTRY, INNOVATION & INFRASTRUCTURE	**Operating in a niche industry with very specific product requirements by providing innovative solutions through corrosion-resistant technologies, systems and services**
	12 RESPONSIBLE CONSUMPTION & PRODUCTION	• **Optimum utilization of water resource and use of ETP to treat wastewater and re-use it for maintaining greenfield area in the plant premise** • **Promoting responsible investments in Brownfield projects for sustainable production practices**
Environment	7 AFFORDABLE & CLEAN ENERGY	• **Adopting renewable energy options such as solar power and wind energy to minimize electric energy usage** • **Shifting from electrical furnaces to Natural Gas furnaces**
	14 LIFE BELOW WATER	**Restoring marine coral reefs in the Andaman Islands in collaboration with the ReefWatch Marine Conservation**
Community Development and Welfare	3 GOOD HEALTH & WELL-BEING	• **Promoting rural healthcare through Project SPARSH in association with Charutar Arogya Mandal in Anand** • **Provision of Mobile Clinic to enable health outreach facilities across 100 villages in Anand and Kheda districts of Gujarat** • **Financial assistance during the times of the COVID-19 pandemic to set-up hospital beds for critically infected patients**
	4 QUALITY EDUCATION	**Providing skill development training to young people in association with a training institute**
	8 DECENT WORK & ECONOMIC GROWTH	**Accelerating employment opportunities by recruiting local hiring**
	11 SUSTAINABLE CITIES & COMMUNITIES	**Enhancing aesthetic value and maintaining public facilities in partnership with Sardar Patel Charitable Trust to promote environment sustainability**

Outlook

Going forward, GMM Pfaudler's aim is to become a sustainable organization that endeavors to create long-term value for its stakeholders while aiming for operational excellence, resilience and profitability. We believe that businesses and societies can co-exist in a mutually beneficial relationship and support one another in the times of need. Through our continuous efforts, our goal is to nurture lasting relationships with our surrounding communities, work towards environment-centric objectives, create a robust corporate governance and steer the organization towards resilience and progress.

We understand and prioritize the need to have a line of interaction with our customers to better understand their expectations. With this agenda, we have integrated multiple channels to seek customer feedback on our products, services and business to identify the areas for improvement. These measures will enable our customers to communicate with us directly through our website, phone, e-mail and various social media channels. Also, we regularly engage with and solicit feedback from our corporate, institutional, public sector and other clients through multiple channels, including individual meetings, conferences and other forums. This helps us to stay updated on the needs of our customers in order to cater to them seamlessly.

Our consistent focus remains on creating a desired workplace for our existing and potential employees. Therefore, we are undertaking efforts to ensure that our people work in a supportive and encouraging environment. Additionally, we endeavor to promote gender diversity in our organization by on-boarding women employees in our team and empowering them. Furthermore, GMM Pfaudler has commenced analyzing the skill and development related needs of its employees. Consequently, a technical skill development program is being formulated, which will cover the training needs of all our employees, including permanent as well as contractual.

Apart from this, we provide training facilities to our employees on various other aspects that are essential for working with an organization such as interpersonal skills that includes topics related to effective feedback and importance of safety culture, amongst others.

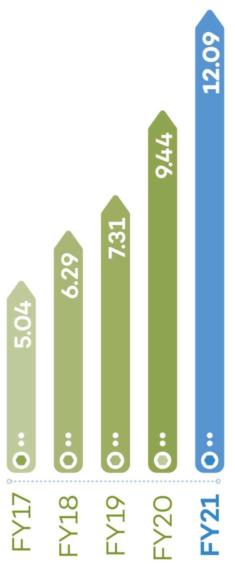
CSR at GMM Pfaudler

GMM Pfaudler is committed to creating maximum positive impact by envisioning a bright future for the communities it operates in and firmly believes that it has a responsibility to improve and enrich the lives of these communities and play a part in their social & economic development and environmental sustainability.

With its dedicated and focused approach, the Company has been contributing its time, expertise and resources to help the local communities. The Company is committed to focus its CSR activities in and around the areas in which it operates and would support activities in areas beyond on a case to case basis.
As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth. The CSR projects of the Company are aimed at facilitating development and sustainable growth in communities through initiatives focused on healthcare, education & skill development and environment sustainability.

The focus areas

CSR Obligations
[₹ million]



Healthcare

Contribution to fight COVID-19

GMM Pfaudler provided financial assistance to Charutar Arogya Mandal's Shree Krishna Hospital, Karamsad and Gujarat for setting up 20 ICU Beds, 9 Non-invasive Ventilators and an equal number of High Flow Oxygen Therapy under its Corporate Social Responsibility initiatives.

This contribution helped Shree Krishna Hospital, being the largest charitable private hospital in the region between Ahmedabad and Vadodara, to be identified by the state health authorities, as a 'Designated COVID-19 District Hospital' for treatment of COVID-19 cases and providing critical care to the growing number of COVID patients in and around Anand, Gujarat.

Mr. Sandeep Desai, CEO of the Charutar Arogya Mandal acknowledged "Everything that the hospital has been able to do for the rural community so far, has been possible only with the support of generous donors like GMM Pfaudler Ltd. We are thankful for your support in these extremely difficult times towards our COVID-19 response."

Providing modern healthcare to the local village communities with Charutar Arogya Mandal

GMM Pfaudler has partnered with Charutar Arogya Mandal to provide modern healthcare to the local communities through **Project SPARSH.**

Project SPARSH (Shree Krishna Hospital Programme for Advancement of Rural and Social Health), implemented by Charutar Arogya Mandal in Anand, Kheda and Panchmahal districts, aims at connecting the last person in villages to appropriate levels of healthcare through trained Village Health Workers (VHWs) in their own villages, health centres in towns/villages close by and a tertiary care centre for critical cases.

GMM Pfaudler funds the activities of the programme in 100 of the 150 villages covered by it. In terms of the population covered, while the entire programme covers a population of 4.5 lakhs, the villages funded by GMM Pfaudler have a population of approximately 3 lakhs.

SPARSH 150 is focused on prevention, treatment and care of chronic diseases such as Diabetes, Hypertension, Cancer and chronic respiratory diseases. Various interventions such as camps, school based awareness sessions, community awareness sessions, home delivery of medicines for chronic patients and home visits for bed-ridden patients are undertaken under this program.

During the year, through project SPARSH, 8,536 patients were reached through 481 camps.
In the project villages covered by GMM Pfaudler, 274 camps were conducted and 4,929 patients were reached and received consultation. A total of 4,500 rural people were educated about various issues related to chronic diseases such as Hypertension and Diabetes through 341 sessions undertaken by the Village Health Workers (VHWs) across 150 villages.

A total of 1,485 patients were screened for Hypertension, 735 were screened for Diabetes.

In the project villages funded by GMM Pfaudler, the number of patients enrolled with the programme was 1,356 compared to 1,422 in the previous year. The average monthly cost of treatment for patients with Hypertension, Diabetes and those having both Hypertension and Diabetes was ₹ 38, ₹ 87 and ₹ 131 respectively.

Summary of new initiatives taken under SPARSH during FY21

1) Data and Survey: Household data of 100 villages have been entered in the central server. A total of 55,044 households had been surveyed and data of 2, 63,149 members in these households were obtained.

2) Home care: During the lockdown, routine home care for enrolled patients was carried out. Paramedical staff had taken follow up data of enrolled patients to their home to write medicine details on the packets. Senior team members ensured to design a medicine delivery plan across 150 villages in a phased manner where minimal staff were engaged during this delivery. A total of 2,266 medicine packets were prepared and delivered in 150 villages during the entire lockdown period.

3) Telepsychiatry component: was initiated across 100 villages. A mental health checklist adapted from an ongoing project at Trust for Reaching Unreached (TRU) was used for primary screening and identification. The following were the steps:

a. The village health worker of each village by a process of Snowball sampling (getting second hand information from other villagers) identified people with suspected mental health conditions and filled the checklist.

b. Based on the scoring, these forms are reviewed by the field supervisors and senior team members. This was followed by completion of informed consent and procedures as per Telemedicine guidelines.

c. Thereafter, the patients were connected with a Psychiatrist via video conferencing and the consultation process was completed. The Prescription and dispensing of medicine were done from SKH Hospital Central Pharmacy.

4) Training: Online assessment and training for office staff were conducted to achieve maximum utilization of time. Further, online training session of the Village Health Workers (VHW) was also conducted which included sharing of videos of Palliative care - especially stroke rehabilitation.

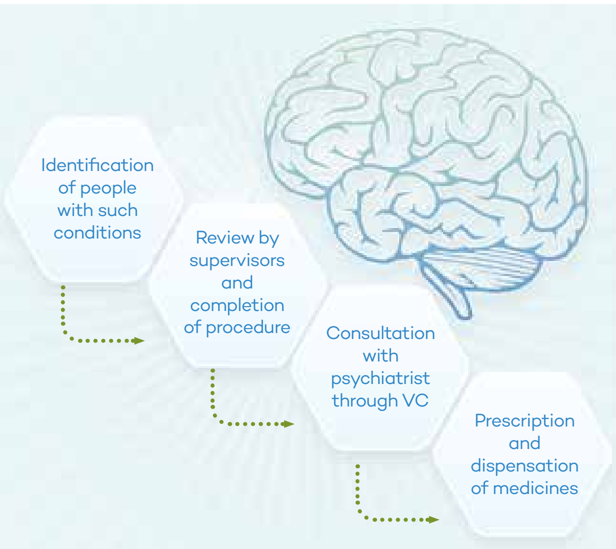
Mobile clinic

GMM Pfaudler provided financial assistance to Charutar Arogya Mandal for setting a mobile health unit. This mobile health unit, one of the most important initiatives taken under Project Sparsh, is being used to provide free medical diagnosis and basic treatment to thousands of people in inaccessible and vulnerable rural areas across nearly 100 villages in Anand and Kheda District in the state. The Mobile Clinic has full-time doctors and about 4 paramedics and healthcare workers at any given point of time and will cover about 4 villages every day.

The Mobile Clinic has a reception desk, doctors' consultancy zone, a laboratory, a pharmacy and is equipped with an ECG machine, clinical blood and sugar examination kits, a Fundus photography equipment to document retinal diseases and early detection of Diabetes and hypertensive patients and Diabetic foot assessment by Vibrotherm device, among others. The mobile unit ensures confidentiality of patients during consultation & examination thus eliminating the dependence on availability of spaces for conducting camps. The Mobile Clinic is also equipped with an LED TV for health awareness and conducting sensitizing sessions about various diseases.

Charutar Arogya Mandal (CAM), a charitable trust set up by the late Dr. H. M Patel, has been working for providing modern and professional healthcare to the rural community in Anand and Kheda districts of Gujarat for over 3 decades. CAM manages Shree Krishna Hospital, one of the largest (950 bed), modern and professionally run institutions in Gujarat along with Pramukhswami Medical College, the KM Patel Institute of Physiotherapy and GH Patel School of Nursing among other educational institutions at its 100-acre campus in Karamsad. For more information about Charutar Arogya Mandal please visit www.charutarhealth.org

STEPS FORMING PART OF MENTAL HEALTH CHECKLIST



MOBILE CLINIC

Education & Skill development

GMM Pfaudler has partnered with JV Patel Industrial Training Institute ("JVP ITI") to promote education and skill development in the local community.

JVP ITI a well-equipped institute with qualified and experienced instructors offers eight trades certified by the National Council for Vocational Training and two trades certified by the Technical Education Board. Currently, JVP ITI has about 300 students on its rolls who are from the surrounding villages.

Further, JVP ITI is an approved "Training Centre" under the "Pradhan Mantri Kaushal Vikas Yojana" (PMKVY 2.0) to impart skill development training to school and college dropouts or unemployed youths. The institute also conducts MoU based short term courses. Under PMKVY 3.0, the institute has started 3 courses namely solar panel installation, fitter fabrication and draughtsman mechanical. A total of 150 students, divided into 5 batches have been enrolled.

The Institute regularly organises on-campus and off-campus interviews with many prominent companies from local areas to facilitate recruitment of students. In view of social distancing norms due to COVID-19, online interviews were conducted by various industries for placement of students.

The Institute enrolled 188 trainees under various trades under the National Council of Vocational Training (NCVT) and 26 trainees and under various trades covered under the Technical Education Board (TEB). Theory classes were conducted online for students in accordance with the norms of the State Government.

JVP ITI at Karamsad, Gujarat was established in the year 1979 under Bombay Public Trust Act, 1950 and Societies Registration Act 1860 with the objective of enhancing the livelihood of local communities by promoting education through vocational skill development.

For more information about JV Patel Industrial Training Institute please visit www.jvpiti.org

PROVIDING TECHNICAL TRAINING TO THE LOCAL YOUTH WITH JV PATEL INDUSTRIAL TRAINING INSTITUTE

Environmental sustainability

Restoring marine coral reefs in the Andaman Islands with ReefWatch Marine Conservation

GMM Pfaudler has partnered with ReefWatch Marine Conservation in the Re(ef) Generate project that aims to pilot the restoration and rehabilitation of corals in the in the Andaman Islands.

This project has set out to actively create conditions & facilitate sustainable coral growth through the two-pronged approach of Re(ef)Build and Re(ef)Grow.

By focusing on setting up artificial reefs using mineral accretion technology, Re(ef)Build involves rescuing broken coral fragments around a coral reef and attaching them onto metal frames that are designed to replicate a coral reef structure.

Under the Re(ef) Grow philosophy, genetically stronger and more resilient corals are grown in a lab and then transplanted onto the above mentioned artificial reef structure.

A fully set up coral wet lab was used to micro-fragment corals in order for them to grow faster and reach sexual maturity to spawn; a method so far been tested only on coral species found in the Caribbean Islands. As on date, five populated metal structures have been connected to mineral accretion devices and the Re(ef) Generate project team has re-attached the lab-developed fragments on these structures. Since March, 2020, a new baseline for the monitoring of coral growth and the ecosystem functioning of the artificial reefs has been initiated post all of the above efforts made as part of the project.

Key Developments for FY21

Mineral accretion device connected to all structures on the artificial reef

Launched the Reef Guardian program

Re(ef)Generate Manual: Created a comprehensive guide to coral restoration techniques used by ReefWatch

Re(ef)Generate Course: Designed a course to introduce coral restoration to passionate divers who are advanced certified

Karnataka coastal conservation

GMM Pfaudler has partnered with ReefWatch Marine Conservation for Karnataka coastal conservation & Kundapur livelihood project.

This project aims to improve marine environmental health. Over the course of the Coastal Conservation Project a need for better waste management and cleaning of beaches was identified. Many women along the coast could greatly benefit from an added source of income, especially those hailing from single income families. Tribal women from the region are severely under-employed - their main source of income was shell collection which has since been banned by the Government.

Through the Livelihood Project we aim to Clean Beaches, create Livelihoods for Women and assist with the Implementation of Social Welfare Initiatives and Outreach.

2 women will be employed full time to oversee our segregation centre and at least 50 women can be supported on a freelance basis with the ability to collect and sell to us. Over time this project aims to provide furthermore holistic support to the women and their children in the area, further emphasizing the harmonious relationship between a healthy ocean and healthy people.

Every Sunday, ReefWatch in conjunction with the Clean Kundapur Project organizes beach clean ups along the coast where volunteers from local communities come together to collect waste from the beach. The waste is then segregated and analysed before being disposed of appropriately.

"GMM Pfaudler has been unwavering in their support to us for the past 3 years - this has not only helped us restore coral reef areas in the Andaman Islands but also to help other organizations and individuals do the same through workshops and capacity building. We have also had their support in exploring the feasibility of other interventions and projects that have led to the rescue of several sea turtles and other marine animals. We are grateful for their support and look forward to a long and fruitful partnership in protecting India's ocean, marine animals and coastal communities."

Beach clean ups at Kundapur

Reefwatch Marine Conservation is a non-profit Organization involved in research, education and outreach activities aimed at Environmental Sustainability. Its efforts are targeted towards protecting and nurturing the diversity of life in India's coastal and marine environments.

Its activities include coral reef monitoring in the Lakshadweep and Andaman & Nicobar Islands, documentary films, beach clean ups in Mumbai, SCUBA training for scientists and education programs in schools across the country.

ReefWatch was established in 1993 as a Public Charitable Trust under the Societies Registration Act and has served as a Member of the National Board for Wildlife (Government of India) since May 2007.

For further information about Reefwatch Marine Conservation please visit www.reefwatchindia.org.

Beautifying and maintaining public facilities in our local area with Sardar Patel Trust

GMM Pfaudler has partnered with Sardar Patel Charitable Trust to promote Environmental Sustainability in our local area by maintaining the public facilities at the Sardar Vallabhbhai Patel Memorial and Veer Vithalbhai Patel Memorial at Karamsad, Gujarat ("The Memorial"). The Sardar Patel Charitable Trust plays an active role in the beautification of local area by maintaining the gardens and cleanliness of the Memorial.

The Memorial, in collaboration with local schools and colleges plays host to various student activities like study camps, research works, youth camps, group discussions, elocution competitions and socio-cultural programs. The Memorial organizes lectures and seminars by eminent scholars, writers, leaders in public life and administrators from Government and Non-Government Organization with emphasis on personal development and leadership.

The Memorial is visited by locals, students from nearby schools and colleges, tourists from across India and many visitors from abroad as well. This year there were about 3,608 visitors to the memorial and garden premises which also included some eminent personalities.

This year, the COVID 19 pandemic and strict guidelines of social distancing and lockdown imposed by the government restricted the activities conducted by the Trust. However, a virtual yoga session on the occasion of International Yoga day was conducted by recognized personalities.

Sardar Patel Charitable Trust was established in the year 1975 and is registered under Bombay Public Trust Act, 1950 and Societies Registration Act 1860. The main objective of the Trust is to promote and perpetuate the memory of Shri Sardar Patel, The Iron Man of India and his brother Shri Veer Vithalbhai who both played an important role in India's freedom struggle. The Memorial was established in the year 2000 and is managed by the Sardar Patel Charitable Trust.

For further information about Sardar Patel Trust please visit www.sardarpateltrust.org

CORAL REEF ECOSYSTEM

TREATMENT & RELEASE OF MARINE LIFE INTO NATURAL HABITAT

BEACH CLEAN UPS AT KUNDAPUR

BEAUTIFYING AND MAINTAINING PUBLIC FACILITIES IN OUR LOCAL AREA WITH SARDAR PATEL TRUST

Corporate **Information**

CHAIRMAN
Dr. S. Sivaram

MANAGING DIRECTOR
Mr. Tarak Patel

DIRECTORS
Mr. Nakul Toshniwal
Ms. Bhawana Mishra
Mr. Vivek Bhatia
Mr. Ashok Patel
Mr. Harsh Gupta
Mr. Malte Woweries (appointed w.e.f. May 28, 2021)
Mr. Günter Bachmann (appointed w.e.f. June 28, 2021)

KEY MANAGEMENT TEAM
Mr. Ashok Pillai, Chief Operating Officer
Mr. Thomas Kehl, Chief Executive Officer of Pfaudler International business
Mr. Manish Poddar, Chief Financial Officer
Mr. Alexander Pömpner, Chief Financial Officer of Pfaudler International business
Ms. Mittal Mehta, Company Secretary & Compliance Officer

STATUTORY AUDITORS
Deloitte Haskins & Sells, Chartered Accountants

INTERNAL AUDITORS
Mazars Business Advisors Pvt. Ltd.

SOLICITORS
L&L Partners
Trilegal

BANKERS
Hongkong and Shanghai Banking Corporation
State Bank of India
Axis Bank Ltd.
HDFC Bank Ltd.
Citibank N.A
ICICI Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENTS
Link Intime India Private Limited

INVESTOR RELATIONS
Christensen Advisory

Disclaimer:
This document contains statements about expected future events and financials of GMM Pfaudler Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis Report of GMM Pfaudler Limited's Annual Report for FY21.

Please find our online version at gmmpfaudler.com/investor
Or simply scan to download

Brief Profile of **Directors**

Dr. S. Sivaram

Dr. S. Sivaram is a polymer chemist by profession and a mentor as well as a science administrator of distinction. He is a former director of the CSIR-National Chemical Laboratory, Pune. Currently, he is an Honorary Professor and INSA Senior Scientist of the Indian Institute of Science Education and Research (IISER), Pune. He has authored over two hundred and twenty papers in peer-reviewed journals, edited two books and authored one book. He has fifty-one issued US and European patents and fifty-two Indian patents to his credit. Dr. Sivaram is a highly decorated scientist / technologist with numerous awards and honors to his credit. He was conferred Padma Shri by the President of India in 2006.

Dr. Sivaram serves on the Board of Apcotex Industries Limited, Asian Paints Limited, Deepak Nitrite Limited, Gharda Chemicals Limited, Supreme Petrochem Limited, Vyome Therapeutics Limited and AIC IISER Pune SEED Foundation, an S&T business incubator.

Dr. Sivaram, born in 1946, is an alumnus of IIT-Kanpur (MSc. 1967). He earned a PhD. (1972) in Chemistry and DSc (h.c) (2010) from Purdue University, W. Lafayette, Indiana, USA.

Nakul Toshniwal

Mr. Nakul Toshniwal is the Chairman & Managing Director of Toshvin Analytical Pvt. Ltd. which is recognized as one of the largest analytical instrumentation companies in India. He started his career as an analyst with AT Kearney Inc. in New York, USA and has over 22 years of experience in managing, investing in and growing companies in diverse industries.

Mr. Toshniwal is also a member of the Council of Directors of Kodaikanal International School. He graduated summa cum laude from The Wharton School, University of Pennsylvania, Philadelphia, PA and has a Master of International Public Policy degree from The School of Advanced International Studies, Johns Hopkins University, Washington DC.

Bhawana Mishra

Ms. Bhawana Mishra is the Founder Director of BasilTree Consulting Private Limited, a firm that works with the biggest names in corporate India in defining talent strategy, identifying and building leadership acumen and supporting individuals and teams to actualise their potential in line with the business strategy.

Ms. Mishra has 22 years of experience across industries, as a talent and leadership development specialist. She started her career with hands-on work in talent management, strategic change and organizational transformation and counts amongst her clients, CXOs and business leaders of a large number of Indian and multinational companies.

Ms. Mishra is an M.A. Applied Psychology (specialization in Organizational Behaviour) from the University of Delhi, 1997 and has a Level B Certification in Occupational Assessments from the British Psychological Society.

Vivek Bhatia

Mr. Vivek Bhatia is the Managing Director and Chief Executive Officer of Thyssenkrupp Industries India. Prior to joining Thyssenkrupp, Mr. Bhatia was with Boston Consulting Group, India where he worked extensively in the capital goods sector with clients in India and abroad on a wide canvas of topics.

Mr. Bhatia has worked across multiple business functions including strategy, operations and organization in the areas such as growth/diversification, joint ventures & technology transfers, business turnaround/ transformation, working capital management, operations design and re-engineering, organization design and performance management systems. In 2013, he was awarded a BCG Olympics Gold Medal for the most insightful and impactful client work in the region. Mr. Bhatia holds an MBA (from IIM Calcutta), M. Tech. (Gold Medallist from IIT Delhi) and B.E. (with honours from University of Delhi).

Harsh Gupta

Mr. Harsh Gupta is the Chief Executive Officer & Executive Director at Solaris Chemtech Industries Limited. Prior to joining Solaris, Mr. Gupta was an entrepreneur where he contributed to the telecom revolution in India in the late 1990s/ early 2000s.

He has over 22 years of expertise in diverse fields including leadership, entrepreneurship, sales & marketing and business strategy, across a wide range of industries including chemicals, metals and as an entrepreneur. Mr. Gupta was educated at The Doon School, Dehradun, followed by a Bachelor of Arts in Economics from Vassar College, New York, USA. MBA from the McDonough School of Business, Georgetown University, USA. While at Vassar, was granted a Ford Foundation Scholarship for research in economics and honoured with membership to Omicron Delta Epsilon, an economics honour society.

Malte Woweries

Mr. Malte Woweries is the founder of Woweries Financial Advisory GmbH, an independent advisory firm in Frankfurt, Germany, providing services to corporate and private equity clients related to mergers and acquisitions, corporate finance and investor communication. Previously, Mr. Woweries was Executive Director in the Investment Banking Division at Goldman Sachs and served in the Frankfurt, New York City and Mexico City offices between 2005 and 2019, focusing on mergers and acquisitions as well as debt and equity financing transactions. He also worked as Investment Manager at KfW Group's private-sector arm DEG, focusing on private equity investments in developing and emerging markets. Mr. Woweries holds a BA (Hons) / MA (Cantab) in Economics from the University of Cambridge and an MA in Economics from the Mexico Autonomous Institute of Technology (ITAM).

Günter Bachmann

Mr. Günter Bachmann has over 43 years of experience in the Semiconductor Industry as well as in the specialized Equipment Industry working for more than 15 years in Singapore and the USA (California) as CEO/CFO of various global Companies.

Between 2004 and 2013 Mr. Bachmann was CEO/CFO of the Coperion Group. Mr. Bachmann served on the Board of various Companies as Chairman or Deputy Chairman between 2009 until May 2021 (Singulus Technologies AG, Cleanpart Group GmbH and Pfaudler International S.a.r.L. -Luxembourg). Mr. Bachmann has a degree in Economics/Business from the University of Applied Sciences in Frankfurt.

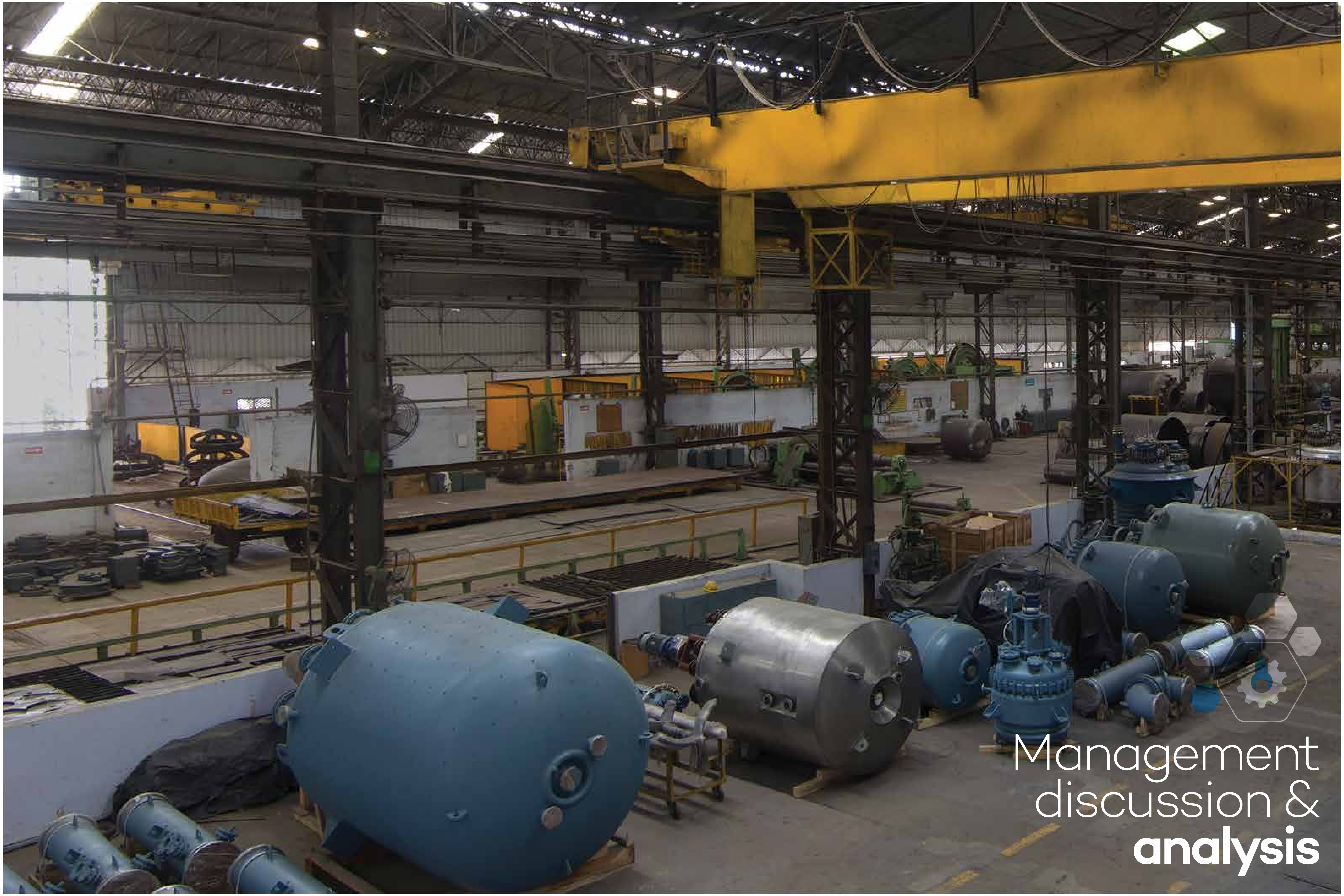
Ashok Patel

Mr. Ashok Patel has over 47 years of experience in the capital goods industry. He has been a Director of GMM Pfaudler Limited since 1972 and was the Managing Director of the Company from 1988 to 2015. He is currently the Executive Chairman of the Company's subsidiary Mavag AG. He is on the Board of Skyline Millars Limited and Ready Mix Concrete Limited. Mr. Patel has a B. Sc degree from the University of Manchester Institute of Science & Technology, UK and a MBA from the Columbia University, USA.

Tarak Patel

Mr. Tarak Patel has been Managing Director of the Company since June, 2015. He has also served as Executive Director of the Company since 2007.

Mr. Patel serves on the Board of Skyline Millars Ltd, Ready Mix Concrete Ltd, ReefWatch Marine Conservation and Charutar Arogya Mandal. He is also a member of the Young Presidents' Organization (YPO). Mr. Patel has a BA in Economics from the University of Rochester, USA and a MBA jointly conferred by Columbia Business School, London Business School and University of Hong Kong (HKU) Business School.



Management discussion & **analysis**

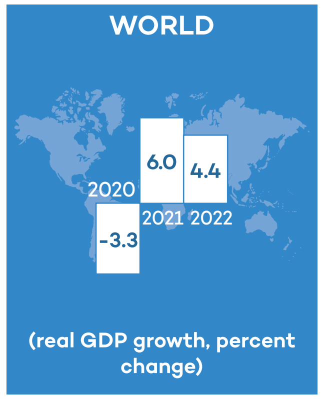
A) ECONOMY

1. Global Economy

2020 was an unprecedented year owing to the rapid spread of the novel Coronavirus across the globe and the stringent lockdowns enforced by Governments to contain its spread - it brought livelihood to a standstill and commercial activity to a near halt (other than essentials and healthcare). As a result, global GDP contracted by 3.3% - a deceleration far sharper than what the world endured post the global financial meltdown in 2008.

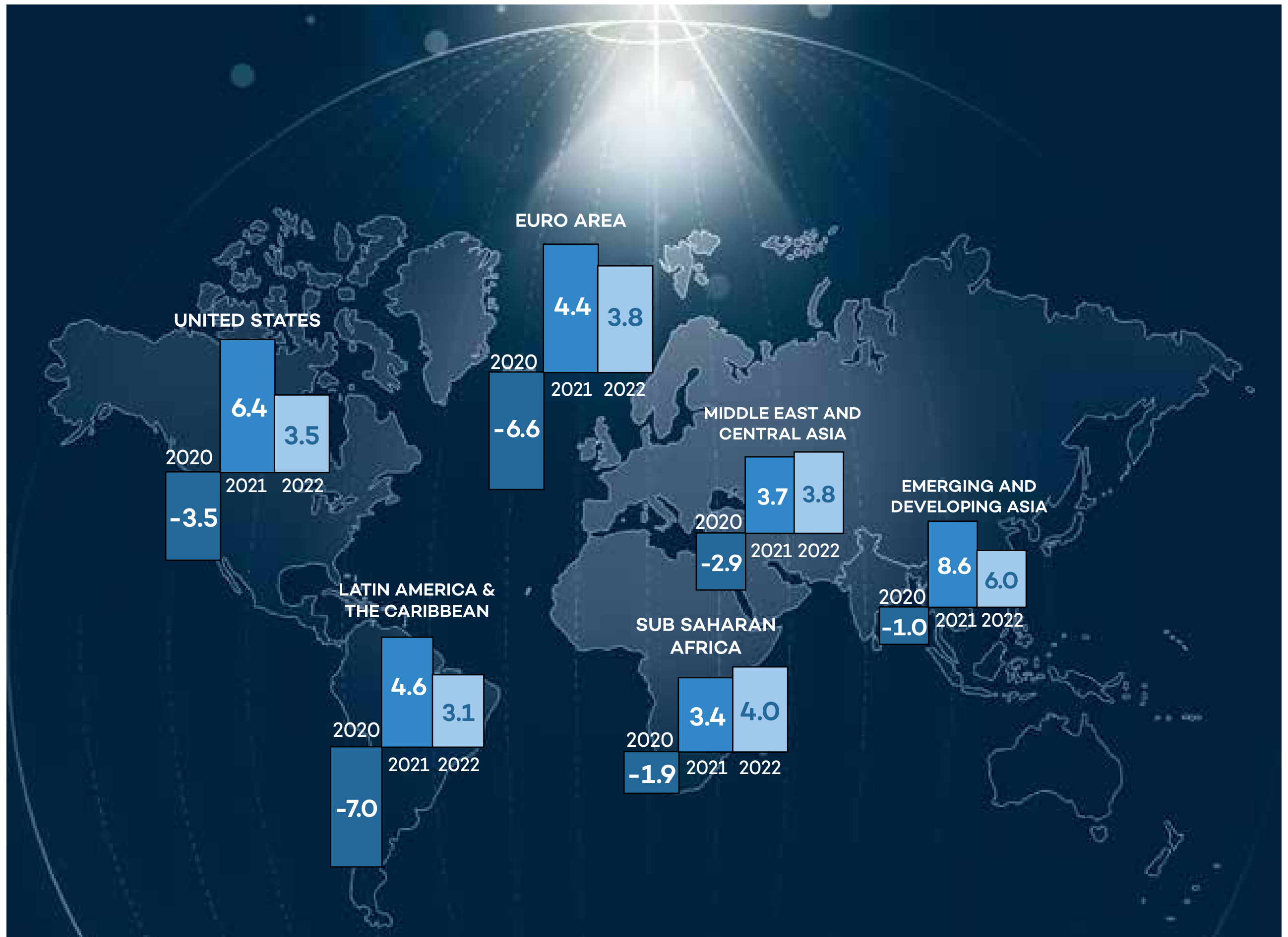
International trade, industrial production and investments bounced back and business confidence improved during the second half of 2020.

The global economy is projected to grow at 6.0% in 2021 and 4.4% in 2022 (refer to the chart beside) as consumption, investment and trade are expected to gradually improve supported by ongoing vaccination across the globe. These estimates depend on future course of the health crisis, the effectiveness of policy actions to limit the ongoing economic damage, commodity prices and the adjustment capacity of the economy.



(real GDP growth, percent change)

WORLD ECONOMIC OUTLOOK, APRIL 2021
GROWTH PROJECTIONS BY REGION (%)



SOURCE: IMF, WORLD ECONOMIC OUTLOOK, APRIL 2021
NOTE: ORDER OF BARS FOR EACH GROUP INDICATES (LEFT TO RIGHT): 2020, 2021 PROJECTIONS AND 2022 PROJECTIONS

2. Indian Economy

In line with the global GDP contraction, India's economic progress remained muted. According to the second advance estimate by the Government, India's GDP has contracted by 7.3% in FY21 against a growth of 4.0% in FY20.

After a contraction in GDP for the first half of FY21 (a negative growth of 24.4% in Q1 and 7.3% in Q2), India recovered to post a positive GDP growth in Q3 at 0.4%, one of the few nations globally to emerge out of recession in a short period. As resurgence gained momentum, India's GDP growth for Q4 of FY21 stood at 1.6%.

Among the three sectors that comprise economic activity, the agriculture sector, which largely supports the rural economy, remained positive - it registered a growth of 3.0% in FY21 (though lower than 4.3% growth recorded in FY20).

With the pick-up in manufacturing activity, GST collections crossed the ₹ 1 trillion mark during the second half of FY21 - it was ₹ 1.23 trillion in March, 2021, the highest collection since the launch of GST. Also, net indirect tax collection in FY21 grew 12.3% annually to ₹ 10.71 trillion, exceeding the previous year benchmark at ₹ 9.54 trillion.

India's debt ratio at the end of 2020 was almost 90.0% of GDP (against 74.0% of GDP a year ago). This was a natural fallout considering the Covid relief (₹ 20 trillion) and stimulus (₹ 2.65 trillion) packages announced by the Government to uplift the economy.

B) INDUSTRY DEVELOPMENT

1. Pharmaceutical industry

The global pharmaceutical market is expected to grow at a CAGR of 5% and reach US$ 1.58 trillion by 2024 from US$ 1.25 trillion in 2019. Key factors expected to drive this uptick include increasing prevalence of chronic ailments, growing aged population, high investment in R&D initiatives, increasing genericization, growing per capita healthcare expenditure and technological advancements in manufacturing processes (Industry 4.0).

North America is the most dominant in pharmaceutical market followed by Europe owing to the presence of leading companies, high R&D expenditure and favourable reimbursement insurance policies.

Indian market

India has been a leading exporter of oral generics and injectables to large and developed economies. It also caters to a large pharmaceutical market driven by increasing ageing population, improving insurance cover, higher medicine spending and rising number of chronic therapies.

China leads global Active Pharmaceutical Ingredients (API) supplies with a higher share in key antibiotics and vitamin products. While India's growth story as an API exporter has been driven by its capability to formulate complex API with key understanding of reaction engineering, as formulators looks out for alternative sourcing options, other than China, there is immense opportunity for India to emerge as a stronger API supplier.

The Indian Government is working to capitalise on this opportunity. Its impetus on domestic API manufacturing, ease of doing business and faster clearances for capex is expected to accelerate the growth of the pharmaceutical sector.

Under the theme of "Atmanirbhar Bharat" (Self-Reliant India), the Government announced the plans to localise manufacturing of 53 critical APIs (active pharmaceutical ingredients) and intermediates by launching a Production Linked Incentive (PLI) scheme.

The Government plans to set up 3 bulk drugs parks to manufacture APIs - making India self-reliant in pharmaceuticals raw materials such as drug intermediates, APIs and key starting materials (KSMs).

Indian pharmaceutical sector is expected to grow three-fold in the next decade, according to Economic Survey of India. The domestic industry, which is currently valued at US$ 41 billion, is expected to grow to US$ 65 billion by 2024 and US$ 120-130 billion by 2030.

Key growth drivers:

Export opportunity - Increasing adoption of low-cost generics globally bodes well for the export markets. Customer preferences for diversified sourcing such as the "China+1" strategy is to support demand for API.

Domestic demand - Increasing Indian government's thrust on universal healthcare through Ayushman Bharat and rising number of middle-class households seeking quality and affordable healthcare continues to support domestic demand.

Further the current pandemic has revealed fragilities and close interdependency of the global supply chain for pharmaceutical drugs. Hence, there is a need to widen the geographic footprint of API and formulation suppliers to counteract the potential supply chain disruptions, which nations witnessed during the outbreak.

Manufacturing-edge - Indian companies are among the world leaders in the production of generics and vaccines with cost of manufacturing economical vis-à-vis global peers while adhering to global quality standards.

Sources: IQVIA, Statista - September, 2020; Economic Survey 2020-21; and Indian Pharmaceutical Industry 2021: future is now, February, 2021 - E&Y and FICCI.

2. Specialty Chemicals

The global specialty chemicals industry is estimated to grow at a CAGR of 6% over the next 5 years to reach ~US$ 1.2 trillion by 2025 driven by growth in the Asian markets.

Growing demand for high-performance and function-specific chemicals across the end-use industries such as oil and gas, pulp and paper and personal care and cosmetics is expected to be one of the prime market growth factors.

Furthermore, increased innovation and research & development are the key growth factors as the market is largely driven by changing consumer preferences. Hence, key players focus on offering custom-made and innovative product offerings for the target applications.

This consumer specific demand has fueled investment in R&D over the past years, driving the development of innovative chemicals and significant expansion of product portfolio in the market.

Asia gains the spotlight: Manufacturing shifted from the developed West to the developing East in general. This was more pronounced in the specialty chemicals space driven by important factors.

Significant increase in discretionary and fundamental consumption among the large and growth populations of Asian countries

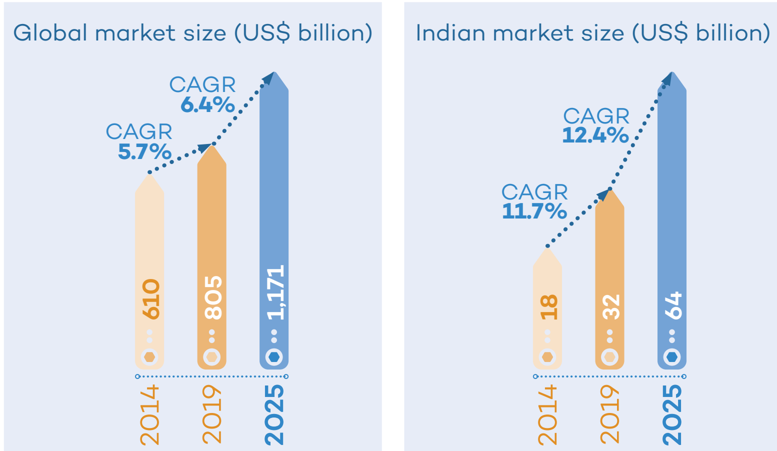
Substantial increase in construction and infrastructure projects over the past few years in the Asia Pacific region

This made the region one of the most preferred destinations for the manufacturers of specialty chemicals, thereby propelling market growth.

It also resulted in Asia becoming a net exporter for a wide range of specialty chemicals replacing EU and North America.

As such, Asia is expected to drive majority of the incremental specialty chemicals demand till 2025, primarily fueled by a disproportionate growth in China and India.

The specialty chemical industry - On the fast track - in India and across the globe



Indian market
The Indian Speciality Chemicals industry is expected to reach ~US$ 64 billion by 2025 at a CAGR of 12% on the back of increasing capital expenditure incurred for expanding portfolio of value-added/customised products, backward integration and increasing export opportunity.

Key growth drivers:
Export opportunity - The closure of several chemical parks in China in the recent past and the supply chain distortion in the current pandemic has improved the growth prospects for India's specialty chemicals industry. India, with its scalable low-cost manufacturing ecosystem, strong process engineering skills and policy support from the government, could emerge as a preferred source for global players.

Domestic demand - As end-user industries in India undergo changes in terms of value addition in product categories, demand for specialty chemicals is expected to grow at a faster rate. In addition, the Government's thrust on growing India's API manufacturing capabilities along with an increasing thrust of many domestic companies to backward integrate augurs well for the sector.

Source: Indian Specialty Chemicals Industry - By Avendus in association with FICCI, September 2020

3. Agrochemicals
The global agrochemicals market is estimated to grow from at US$ 208.6 billion in 2020 to US$ 246 billion in 2025, growing at a CAGR of 3%.

The key drivers for growth in agrochemical consumption are decreasing cultivatable land, increasing global population and subsequent requirement to improve crop yields.

Latin America and Asia are the drivers for the long-term growth of the global agrochemical market.

Good agronomic conditions across most of Latin America coupled with increase in soya and corn acreage led to an increase in buying of agrochemicals. Being the most populous continent in the world, along with increasing need for food production and economic growth, the demand for various agrochemicals such as herbicides and pesticides are increasing.

Positive weather patterns, better prices for grain commodities and the easing of trade tensions with China supported the growth in North America.

The globalisation of the agrochemical industry had a considerable impact on Asia's crop protection markets.

Indian market
The India agrochemicals market size reached a value of almost US$ 5 billion in the year 2020. The market is further expected to grow at a CAGR of 9% between 2021 and 2026 to reach a value of almost US$ 7 billion by 2026.

Key growth drivers:
Export opportunity - India is currently the fifth largest exporter of agrochemicals in the world. Exports contribute majority of the India agrochemical market owing to India's competitive moat comprising its low-cost manufacturing capability, availability of skilled manpower and strong presence in generic pesticide. A strong pipeline of agrochemicals is going off-patent in the coming years. India is well placed to benefit from export opportunities in the large and growing global generic market for its ability to offer low-cost products while meeting international quality requirements. This is likely to create a huge growth opportunity for the Indian agrochemicals industry.

Domestic demand - Declining fertile land owing to rapid urbanisation and industrialisation, poor crop yields, low agrochemical penetration and rising farmer awareness are key structural demand drivers for India's domestic agrochemical market.

Initiatives undertaken by the Government and private sector entities towards farmer education regarding use of agrochemicals to improve farm productivity augurs well for the growth of the sector.

Several reforms within the agriculture sector announced the Government are likely to boost the sector's growth and, in turn, demand for agrochemicals. Key reforms include free trade for agricultural produce across country, exclusion of various categories from Essential Commodities Act which promise to facilitate superior supply chain management, increase in outlay for previously announced schemes such as crop insurance scheme and launch of direct income support by way of PM-Kisan Samman Nidhi.

Sources: Agrochemicals Market - By Research and Markets, March, 2021 & India Agrochemicals Market Historical Market and Forecast (2016-2026) - By Expert Market Research

4. Refineries
The prospects of the refinery sector, beyond the pandemic, appear promising. The rapidly increasing demand for refined petroleum products is expected to fuel investment in downstream infrastructure. As a result, the global refining capacity is expected to grow at a 1.25% CAGR between 2021 and 2026.

The aspiration of emerging as regional refinery hubs, African nations namely Nigeria, Algeria, are expected to create a sizeable investment opportunity for global refiners over the near- and medium-term.

Besides, Asia-Pacific, a major player in the oil refining market, is expected to provide important growth opportunities owing to the upcoming major refinery projects in China and India.

According to China National Petroleum Corporation's Economics & Technology Research Institute, China crude processing capacity is expected to reach 20 million barrels per day by 2025, from 17.5 million barrels at the end of 2020.

In addition, Middle Eastern producers are creating new refinery capacity with at least two projects cumulating more than 1 million barrels a day scheduled to commence operations shortly.

Indian market
India plans to almost double its oil refining capacity to 450-500 million tonnes by 2040 to meet the growing domestic demand and capitalise on interesting export opportunities. The project for construction of a 60 million tonnes a year Greenfield refinery, is expected to commence in the current year. In addition, several refinery augmentation projects (brownfield expansions) are expected to be underway in the next 3-4 years.

Sources: Oil Refining Market - Growth, Trends, COVID-19 Impact, and Forecasts (2021-2026) - By Research and Markets; S&P Global Inc

5. Other industry segments
Some of the other industries that the Company caters to such as fertiliser and metals & minerals are witnessing healthy traction in volumes. It has made meaningful investment to augment its capabilities to serve these industry segments through its Heavy Engineering and Mixing Systems business verticals. Revival in economy is expected to lead to significant investment in these sectors which augurs well for the Company.

C) COMPANY OVERVIEW

GMM Pfaudler is a diverse multi-national company, employing over 1,500 employees and 13 manufacturing facilities on four continents. GMM Pfaudler is present in the market with several branded product lines covering a broad portfolio that includes Glass Lined & alloy systems, filtration & drying, engineered column systems, lab & process glass, sealing technology and fluoropolymers. The company's systems and services capabilities support its customers from the laboratory to the full-scale production plant, including optimizing and improving the whole life cycle of any process equipment normally used in the chemical, pharmaceutical and food industries.

GMM Pfaudler has consistently maintained a leading position in the Glass Lined industry with over five decades of manufacturing experience in India.

With the growing shift towards conducting business responsibly, GMM Pfaudler has integrated an ESG-led approach to generate holistic value for all its stakeholders. The Company has taken concerted efforts in the areas of environment conservation, social well-being and ensuring sound corporate governance in the organization. To this end, GMM Pfaudler has undertaken various mindful initiatives during the reporting year, the details of which have been covered in the ESG section.

1. Key strategic highlights

In July 2020, GMM Pfaudler acquired the Glass Lined manufacturing facility at Hyderabad of its competitor De Dietrich Process Systems India Private Limited. The plant, spread over 6 acres of land, is equipped with world-class equipment to manufacture Glass Lined Equipment and Pressure Vessels. This facility has been operational since October, 2020.

In February, 2021, the Company acquired a majority stake in the global business of its parent, the Pfaudler Group. Pursuant to the acquisition, GMM Pfaudler has become the holding company of the Pfaudler group, with the entire business of Pfaudler International being consolidated into GMM Pfaudler. With this merger, GMM Pfaudler has emerged as the global leading player in corrosion-resistance technologies, systems and services with 13 manufacturing facilities across 8 countries and 4 continents.

In March, 2021, the Company acquired a state-of-the-art facility spread over 12 acres with 7 manufacturing bays. This unit is located in Ahmedabad and is equipped to manufacture a wide array of Heavy Engineering equipment. This unit has commenced operations in phased manner starting May, 2021.

The Company amalgamated Mixion's Pune operation to Karamsad from April, 2021, with an aim of integrated growth and leveraging our economies of scale and offer more complex design that may not have been possible earlier due to space, machine tools etc. The employees from the Pune factory who have accepted relocation; have been absorbed at Karamsad and Hyderabad facilities.

2. Financial Performance

GMM Pfaudler continued to grow during the FY21 despite the uncertainty and volatility prevailing in the domestic and global ecosystems.

The Company continued to remain committed to enhancing shareholder value, reflected in its increasing market capitalisation of over 8 times in the last five years. GMM Pfaudler is one of the top 500 listed companies in terms of market capitalisation (its rank on The BSE Limited (BSE) was 351 while on the National Stock Exchange of India Limited (NSE) was 345).

In FY21, GMM Pfaudler recorded standalone revenues of ₹ 6,408 million, up 24% from the previous year's ₹ 5,164 million and consolidated revenues of ₹ 10,011 million, up 69% from the previous year's ₹ 5,911 million (apart from Mavag, FY21 consolidated revenue includes two months of Pfaudler International's results).

Standalone Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) increased 55% to ₹ 1,536 million as compared to ₹ 994 million in FY20 and consolidated EBITDA increased 25% to ₹ 1,386 million (before exceptional item) as compared to ₹ 1,111 million.

Profit Before Tax (PBT) increased by 53% to ₹ 1,259 million as compared to ₹ 820 million in FY20 on a standalone basis and increased by 10% (before exceptional items) to ₹ 1,013.80 (before exceptional item) million compared to ₹ 923 million in FY20 on a consolidated basis.

Initiatives taken in last few years like, Operational Excellence Model (Governance, MIS and 5S) resulted in several benefits such as throughput improvement, cost optimisation, increased revenue and profitability.

The Company continued to strengthen its internal systems and processes to improve efficiencies and minimise costs. In the current year, the Company has been able to reap the benefits from these efforts and will continue to do so in the coming years as well.

The year FY22 started with a strong order book, which is significantly higher than the previous year. With the Hyderabad and Ahmedabad facilities in operation, along with synergies from the PFI acquisition, the Management remains confident that GMM Pfaudler will continue to dominate the corrosion-resistant technologies, systems and services space.

D) KEY FINANCIAL RATIOS

Details of change of 25% or more in the key financial ratios in comparison to the previous financial year along with explanation thereof are as under:

Sr.	Particulars	Consolidated		
		FY21	FY20	% Change
1.	Debtors Turnover* (Days)	50	46	7.98
2.	Inventory Turnover* (Days)	94	78	20.50
3.	Interest Coverage Ratio	13.62	31.85	(57.24)
4.	Current Ratio	1.66	2.37	(30.04)
5.	Debt Equity Ratio	0.93	0.03	2,616.72
6.	Operating Profit Margin	14%	19%	(26.35)
7.	Net Profit Margin %	6%	12%	(47.37)
8.	Return on average net worth%	20%	24%	(16.22)
9.	EPS (₹)	50.19	48.66	3.14

Notes:

a. Interest coverage ratio in FY21 reduced 52% and debt equity ratio increased 2,617% as the Company, at consolidated level, has a debt of ₹ 4,917 million as compared to previous year. Company has a consolidated cash balance of ₹ 2,923 million as on March 31, 21 which has not been considered in the above calculation. FY21 profits before tax also include a charge of inventory step-up of ₹ 457 million towards Pfaudler acquisition related purchase price allocation (PPA).

b. Current Ratio has reduced by 30%, owing to an increase in current liabilities - i.e. inclusion of pension liability from overseas business (₹ 144 million) and bank loans of ₹ 148 million as compared to previous year.

c. Operating profit margin and Net profit margin are on lower side in the FY21 as compared to FY20 as the Company has accounted acquisition related expenditure (one-time acquisition costs and PPA adjustments).

d. Definition of Ratios:

1. Debtors Turnover: closing trade receivable by revenue from operations* for the year.
2. Inventory Turnover: closing inventory by revenue from operations* for the year.
3. Interest Coverage Ratio: total EBITDA before exceptional item by finance cost for the year.
4. Current Ratio: current assets by current liabilities including working capital borrowings.
5. Debt Equity Ratio: total debt including working capital borrowings by total equity at the end of the year.
6. Operating Profit Margin: EBITDA before exceptional item by operating revenue for the year.
7. Net Profit Margin: profit after tax for the year by revenue from operation for the year.
8. Return on Average Net Worth: profit after tax attributable to owners for the year by average net worth for the year.
9. EPS: profit for the year by number of equity Shares.

*Revenue from operations include Pfaudler revenue of 2 months annualised to 12 months for a like-to-like comparison.

E) BUSINESS SEGMENTS AND OPERATIONAL HIGHLIGHTS

1. India

GMM Pfaudler is a leading supplier of Glass Lined (GL) equipment in India. Over the years, the Company has diversified its product portfolio to include Heavy Engineering, Mixing Systems, Engineered Systems, Filtration & Drying Equipment and Tailor-Made Process Equipment. These products are primarily used in Pharmaceutical, Speciality Chemicals and Agrochemical industries.

In FY21, the domestic segment (India) grew 22% YoY due to strong uptick in heavy engineering business and proprietary products with sustained growth in glass lined business (including after-market sales). Overall, the domestic segment contributed to 62% to the Company's total revenue.

Heavy Engineering business doubled and contributed 15% of total standalone revenue in FY21. It is expected to emerge as an important growth and profitability driver for the Company over the near-term. Hence, there is considerable focus on capability and capacity enhancement which will allow GMM Pfaudler to capitalise on emerging global opportunities.

F&D business in FY21 accounted for 10% of FY21 standalone revenue; followed by mixing systems (8%) and engineering systems (5%).

Order backlog increased by 29% from ₹ 4,158 million to ₹ 3,223 million in FY21.

Highlights 2020-21

Efficient ramp up of the Hyderabad facility at Hyderabad as per GMM Pfaudler standards and executed about 100 Equivalent Units (EUs) of Glass Lined equipment by the end of March, 2021. The addition of this unit is expected to strengthen the Company's presence in the South with superior service and support. The Company expects to produce 40-50 EUs per month from its Hyderabad facility.

Acquired the manufacturing unit of HDOT Ltd., a unit under liquidation at Ahmedabad. This unit is equipped to manufacture a wide range of Heavy Engineering equipment with a crane lifting capacity of 200 metric tonnes, deep-hole drilling (up to 1 meter) capabilities, plate rolling capabilities up to 110 millimeters, strip cladding capabilities, orbital welding capabilities, a 309 square meters clean room for fabrication of high alloy materials, vertical turret lathes and other machine tools. The unit began operations in a phased manner in May 2021 and HE business is expected to fully move out from Karamsad by end of FY22.

Addition of new gas furnaces in Karamsad facility helped increase the EU output from 220 to 250 units.

Supplied critical F&D equipment like Mavasphere to the pharmaceutical industry. India also provides low-cost F&D components and assemblies to Mavag AG, Swiss subsidiary. In FY21, Mavag AG increased outsourcing volumes from India based on good orderbook from the European market.

2. Overseas

GMM Pfaudler is present across Americas, Europe and Asia (excluding India) through its offerings in technologies, systems and services. Apart from operating under Pfaudler's brand, the Company also caters to the overseas market through Mavag, Edlon, Normag and Interseal.

Technologies segment covers a broad portfolio that includes fluoropolymers, filtration & drying, engineered column systems, lab & process glass, sealing technology and Glass Lined & alloy systems. Systems capabilities allows it to support customers from the lab to the full-scale production plant, including optimizing and improving the whole life cycle of any process equipment normally used in the chemical, pharmaceutical and food industries. Services mainly provides the after-market and spare-parts support required for Technologies and Systems' customers.

The vertical includes Mavag and PFI operations and would account for ~65% of the total revenue (on a proforma basis). In FY21, it accounted for 38% of total revenue (mainly due to 2 months of PFI consolidation only).

Order backlog increased by 26% (on a proforma basis) to ₹ 10,675 million in FY21.

Highlights 2020-21

PFI acquisition was completed in February 2021. Post that, Project Apollo was initiated to capture and realise the synergies of US$ 5 million by FY24. The project has entered in execution phase and identified workstreams for capturing synergies across its three pillars - operational excellence, value sourcing and cross selling.

Site modernization at Italy, Germany and China are completed and fully operational.

Solid operational and financial performance in Europe with turnaround measures in Germany showing positive results. Switzerland exhibited a stronger growth while UK, Italy and Interseal continued to show resilience.

Strong momentum in South America with signs of accelerating recovery in North America.

F) INNOVATION & TECHNOLOGY

At its Government recognised R&D Center, GMM Pfaudler continues to work on new product development, monitor performance of equipment at site and make improvements in design and features for better reliability, safety and ease of use.

The High-Efficiency Gas Induction Impeller (HEGI), for which the Company has filed a global patent, is being accepted in the market due to proven improvements in efficiency of the process.

The Test Centre work is in progress, albeit delayed due to the severe impact of the pandemic; it is expected to be completed by the end of the current fiscal.

The team is also developing a new dry mechanical seal with technical support from Pfaudler Interseal, Germany which is expected to offer the customer an alternative to the conventional seals used in the Company's Glass Lined, SS reactors, Agitated Nutsche Filter Dryers and other process equipment. This is expected to be launched in the third quarter of FY 22.

G) OPPORTUNITIES & THREATS

Opportunities: The Government's focused thrust on positioning India as a global sourcing hub ('Make in India'), a reliable alternative to China, on becoming self-reliant for its needs ('Atmanirbhar Bharat'), coupled with its efforts in moving up the Global Ease of Business ranking is expected to attract investment into India - these efforts should open interesting growth opportunities for GMM Pfaudler.

Also, the global acquisition has opened up multiple growth levers for GMM Pfaudler in terms of competitive sourcing, widening the customer, products and solution base and opening considerable cross-selling opportunities.

Threats: The health emergency prevailing across the world and the uncertainty of its eradication could defer the Company in reaching its financial and operational targets. Also, the volatility in the commodity cycle could impact the Company's sourcing strategy which in turn could adversely impact profitable business growth.

In addition, uncertain monsoons, investment deferrals and volatile industrial output are ongoing concerns for sales in the domestic market.

H) RISKS AND CONCERNS

The Company has a well-documented Risk Management Policy. The policy is reviewed periodically by the Management and the Risk Management Committee and appropriately modified when necessary. Based on the operations of the Company, risks are identified and steps are taken to mitigate them.

Foreign Exchange: GMM Pfaudler has market exposure to foreign exchange mainly on account of exports and imports and therefore, is subjected to foreign exchange fluctuation risk.

Mitigation: Foreign exchange risk arising from mismatch of foreign currency assets and liability is monitored and managed within the Company's risk management framework. The Company adheres to foreign exchange regulations and ensures its compliance.

Raw Material: The Company's primary raw material is steel. Any fluctuation in its pricing will impact the profitability of the Company. Certain orders with long manufacturing cycle time may be exposed to the risk of material price volatility.

Mitigation: The Company follows a typical rolling forecast process to procure and stock primary raw material largely to cover its backlog. Any significant increase in the price of raw material is passed over to the customer by way of upward revision in the price list.

Cyclical business: The Company is into a cyclical business and is highly dependent for revenue generation on its end-user industry expansions.

Mitigation: The Company has strategically diversified into other businesses like Heavy Engineering, Mixing Systems, Engineered Systems and Filtration & Drying Equipment businesses for cross-selling opportunities. This enables industry diversification for the Company. Further, with acquisition of Pfaudler international business, country specific industry risk is as well addressed.

Skilled Manpower: Skilled labourers are a key input for the Company.

Mitigation: The Company provides Swiss Vocational Education & Training (Swiss VET), a course approved by National Skill Development Corporation (NSDC), that includes course content, training aids and assessment as well as Train the Trainer methodologies. Fresh ITI apprentices are trained under the Swiss VET program in GMM Pfaudler for 2 years and later absorbed into the Company. This helps in maintaining a steady supply of skilled workforce along with adequate bench strength.

Information security risk: Threats of cyber-attacks and hacking are all well-known and are a very high risk to business operations of any company that uses IT. In addition to external threats, there are risks of information being leaked or changed by individuals within the Company.

Mitigation: In addition to investments in tools to protect individual devices and scan and protect itself from external threats, the Company also actively monitors security logs to detect any attempts to hack and take the necessary steps. Data, while in creation, storage, transit and retrieval, is adequately protected.

Pandemic risk: In the current scenario, the COVID-19 pandemic and the lockdown are one of the biggest risk areas hampering the supply chain and posing manpower issues.

Mitigation: The Company has taken steps to find alternate sources of materials and innovation in technology used in the areas where the supply chain is disrupted to ensure that the impact is minimised. All employee safety norms including work from home and social distancing are being following at all locations of the Company.

I) INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The internal controls of the Company are executed through standard operating procedures, policies and process guidelines. The Company has an adequate system of Internal Financial Control, which helps in ensuring orderly and efficient business conduct.

Policies have been laid down for operation, approval and control of expenditure. Investment decisions involving capital expenditure are subject to formal detailed appraisal and review by appropriate levels of authority. Capital and Revenue expenditure is monitored and controlled with reference to pre-approved budgets and forecasts.

The preparation of Company's Financial Statements is based on the Significant Accounting Policies selected by the Management and approved by the Audit Committee and the Board. These Accounting policies are reviewed and updated from time to time. The Company uses LN ERP System as a business enabler and as a means to maintain its Books of Account. The transactional controls built into the LN ERP systems ensure appropriate segregation of duties, an appropriate level of approval mechanisms and maintenance of supporting records. The Information Management Policy reinforces the control environment.

Significant internal audit observations are reported to the Audit Committee on a quarterly basis. The Audit Committee reviews these observations and assesses the adequacy of the actions proposed and monitors their implementation. Internal Auditors conduct a quarterly follow up for implementation/ remediation of all audit recommendations and the status report is presented to the Audit Committee regularly. The Management undertakes a periodic review and ensures appropriate actions.

In accordance with the requirements of Section 143(3) (i) of the Companies Act, 2013, the Statutory auditors have confirmed the adequacy and operating effectiveness of the internal financial control systems over financial reporting.

J) HUMAN RESOURCES & INDUSTRIAL RELATIONS

With the onset of Covid-19 pandemic, the Human Resource (HR) function remained very important involving provision of support to take care of employee physical & mental well-being. To keep the workforce engaged during the work from home situation, several first-time initiatives were introduced. Employees were given an opportunity to conduct learning sessions through Live Wire and to submit entries on several topics in Thought Blurb.

With the focus on employee inner well-being, Happiest Inside was initiated. This offered personality & self-awareness tools followed by one-on-one feedback sessions. Thursday Tea-Time with Tarak (TTTT) provided a platform for employees to interact with the Company's Managing Director and to learn from him about Company's performance and initiatives.

The journey of learning & development continued with the institutionalised training calendar 'Neev.' A mix of Functional & Behavioural Training Programs (aligned to DNA for Success), were conducted online and completed successfully. In addition, Leadership Development also continued to be an important aspect through Coaching Sessions for critical set of employees.

It is essential to have a system in place to boost productivity where employees are timely acknowledged for their exceptional performance in intrinsic or extrinsic ways. To achieve the same, iAppreciate (Reward & Recognition) program was launched, giving easy access for all promoting, top down, bottom up and peer to peer recognition. Along with this, reward vouchers were also given to all Managers.

Performance Management was next in line. The Company partnered with Ernst & Young LLP to align the goal setting process to UDAAN and to ensure that the KRAs help the Company progress gradually towards achieving the strategic plan.

FY22 shall begin with streamlining the hierarchy & employee benefits through the introduction of new band & grade structure and the revision of HR Policies to make it more employee-friendly.

K) CAUTIONARY NOTE

Certain statements in the "Management Discussion and Analysis" section can be 'forward-looking' and are subject to risks and uncertainties. Therefore, actual results can differ from what the Directors envisage in terms of future performance and outlook.

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Notice

NOTICE is hereby given that the Fifty Eighth Annual General Meeting of GMM Pfaudler Limited ("the Company") will be held on Friday, August 13, 2021 at 4:00 p.m. by video-conference, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2021 (including Consolidated Financial Statements) together with the reports of the Board of Directors and auditors thereon; and in this regard, if considered and thought fit, to pass the following resolutions, with or without modification(s), as **Ordinary Resolutions**:

    (a) **RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, comprising of Audited Balance Sheet as at March 31, 2021, the Statement of Profit & Loss and Cash Flow Statement for the financial year from April 1, 2020 to March 31, 2021 including its Schedules and the Notes attached thereto and forming part thereof, and the reports of the Board of Directors and the Statutory Auditors thereon be and are hereby received, considered and adopted.

    (b) **RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, comprising of Audited Consolidated Balance Sheet as at March 31, 2021, the Statement of Consolidated Profit & Loss and Cash Flow Statement for the financial year from April 1, 2020 to March 31, 2021 including its Schedules and the Notes attached thereto and forming part thereof and the report of the Statutory Auditors thereon be and are hereby received, considered and.

2. To confirm the declaration and payment of three interim dividends paid during the financial year ended March 31, 2021 and to declare final dividend for the financial year ended March 31, 2021 and in this regard, if considered and thought fit, to pass the following resolutions, with or without modification(s), as **Ordinary Resolutions**:

    (a) **RESOLVED THAT** the payments of first interim dividend, second interim dividend and third interim dividend of ₹ 1.00/- (Rupee one only) each per equity share respectively paid on 14,617,500 Equity Shares, aggregating to ₹ 43,852,500 (Rupees Four crores Thirty eight lacs Fifty two thousand Five hundred only), declared and paid for the financial year 2020-21 (FY21), to the shareholders, whose names have appeared in the Register of Members as on August 7, 2020, October 29, 2020 and January 29, 2021 respectively be and are hereby confirmed.

    (b) **RESOLVED THAT** a final dividend for the year ended March 31, 2021 of ₹ 2.00 (Rupees two only) per equity share on 14,617,500 equity shares aggregating to ₹ 29,235,000 (Rupees twenty nine million two hundred and thirty five thousand only) to the shareholders whose names appear in the Register of Members as at the end of business hours on August 6, 2021 (Record Date) be and is hereby approved.

3. To appoint a Director in place of Mr. Ashok Patel, who retires by rotation and being eligible, offers himself for re-appointment and in this regard, if

considered and thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

RESOLVED THAT Mr. Ashok Patel (DIN 00165858), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby appointed as Director of the Company.

4. To appoint a Director in place of Mr. Harsh Gupta, who retires by rotation and being eligible, offers himself for re-appointment and in this regard if considered and thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

   RESOLVED THAT Mr. Harsh Gupta (DIN 02434051), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby appointed as Director of the Company.

SPECIAL BUSINESS:

5. To ratify the remuneration of Cost Auditors of the Company for the financial year ending March 31, 2022 and in this regard, if considered and thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

   RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force), the payment of remuneration to M/s. Dalwadi & Associates, Cost Accountants, (Firm Registration No. 000338) of ₹ 165,000/- (Rupees One Lakh Sixty Five thousand only) plus GST as applicable and reimbursement of out-of-pocket expenses, as approved by the Board of Directors of the Company, for conducting cost audit of the Company for the financial year 2021-22, be and is hereby approved and ratified.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.

6. To consider and appoint Mr. Malte Woweries (DIN 0009164705) as the Director of the Company and in this regard, if considered and thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

   RESOLVED THAT Mr. Malte Woweries (DIN 0009164705) who was appointed as a Director in casual vacancy created due to resignation of Mr. Alexander Pömpner, pursuant to Section 161(4) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 with effect from May 28, 2021, to hold office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice from the member under Section 160 of the Companies Act, 2013 proposing his candidature, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

7. To consider and approve adoption of the amended articles of association of the Company, and in this regard, if considered and though fit, to pass the following resolution, with or without modification(s), as a **Special Resolution**:

   RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 and such other applicable provisions of the Companies Act, 2013, if any, and any other applicable laws, approval of the members of the Company be and is hereby accorded for the substitution of Articles 175.3(f) and (g) of the articles of association of the Company with the following new Article 175.3(f) and the consecutive re-numbering of the subsequent clauses of such articles:

   (f) So long as the Patel Group Nominee holds the office of Managing Director or Executive Whole-Time Director of the Company, the Company shall pay a salary, remuneration and commission as determined by the shareholders of the Company in accordance with the Act ("Commission").

   RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee thereof or any other person authorized by the Board), be and are hereby authorized to settle any question, difficulty or doubt that may arise giving effect to this resolution and to do all such acts, deeds and matters as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

8. To consider revision in the payment of remuneration to Mr. Tarak Patel as the Managing Director of the Company and in this regard, if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) thereof), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable laws and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of shareholders be and is hereby accorded to the revised remuneration (and the terms thereof) payable to Mr. Tarak Patel (DIN 00166183), in his capacity as the Managing Director of the Company (whose terms of appointment and remuneration have been previously approved by the shareholders of the Company by way of special resolution dated August 27, 2020 for a period of three years viz. FY21, FY22 and FY23), as set out in the explanatory statement to this notice ("Revised Remuneration"), and with liberty to the Board of Directors and the Nomination and Remuneration Committee of the Company to alter and vary the terms and conditions of the said remuneration in such manner as may be agreed to between the Board and Mr. Tarak Patel.

RESOLVED FURTHER THAT the consent of shareholders, be and is hereby accorded to the payment of the Revised Remuneration to Mr. Tarak Patel, in his capacity as the Managing Director of the Company, in excess of 5% of the net profits of the Company, as calculated as per the provisions of Section 198 of the Companies Act, 2013, in each financial year, during the tenure of the Managing Director, as prescribed under Sections 197 and 198 of the Companies Act, 2013, and also in excess of the limit of ₹ 5,00,00,000 (Rupees Five Crores) as prescribed under Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER THAT the draft of the revised management agreement, to be entered into between the Company and Mr. Tarak Patel, as tabled and kept open electronically for inspection by members, be and is hereby approved by the shareholders of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee thereof or any other person authorized by the Board) and the Company Secretary be and are hereby severally authorized to settle any question, difficulty or doubt that may arise giving effect to this resolution and to do all such acts, deeds and matters as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

9. To consider and appoint Mr. Günter Bachmann (DIN 0009218679) as the Director of the Company and in this regard, if considered and thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

   RESOLVED THAT Mr. Günter Bachmann (DIN 0009218679) who was appointed as a Director in casual vacancy created due to resignation of Mr. Thomas Kehl, pursuant to Section 161(4) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, with effect from June 28, 2021, to hold office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice from the member under Section 160 of the Companies Act, 2013 proposing his candidature, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

By Order of the Board of Directors

For GMM Pfaudler Limited
Mittal Mehta
Company Secretary
M.No. 7848

Place: Mumbai
Date: June 28, 2021

Registered Office:
Vithal Udyognagar, Anand – Sojitra Road,
Karamsad - 388 325, Gujarat

NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (hereinafter referred to as the "Act"), in respect of businesses to be transacted at the Annual General Meeting (hereinafter referred to as "AGM"), as set out under Item No(s). 5 to 9 above and the relevant details of the Directors as mentioned under Item No(s). 3, 4, 6, 8 & 9 above as required by Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed thereto.

2. The Board of Directors have considered and recommended the Item nos. 5 to 9 given above as Special Business in the forthcoming AGM for the consideration of shareholders.

3. In view of the continuing lockdown restrictions on the movement of people at several places in the country, due to outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 02/2021 dated January 13, 2021 & the Securities and Exchange Board of India (SEBI) vide its circular dated January 15, 2021 bearing Ref. No: SEBI/HO/CFD/CMD2/CIR/P/2021/11 read with circular dated May 12, 2020 bearing Ref. No.: SEBI/HO/CFD/CMD1/CIR/P/2020/79, has allowed companies to conduct the AGM, during the calendar year 2021, through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

4. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. authorizing its representatives to attend the AGM, by e-mail to js@rathiandassociates.com with a copy marked to the Company at mittal.mehta@gmmpfaudler.com and to its RTA at satyan.desai@linkintime.co.in.

5. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

Process for dispatch of Annual Report and registration of email id for obtaining copy of Annual Report

6. In compliance with the aforementioned MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.gmmpfaudler.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

7. Members holding shares in physical mode who have still not registered their email ID with the Company can temporarily get their email IDs registered with the Company's Registrar and Share Transfer Agents, Link Intime India Pvt Ltd, (hereinafter referred to as "Link Intime") by using the link: https://linkintime.co.in/emailreg/email_register.html and Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participants.

8. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company through an

email on mittal.mehta@gmmpfaudler.com or investorservices@gmmpfaudler.com.

Procedure for joining the 58th AGM through VC/OAVM

9. Link Intime will be providing facility for voting through remote e-Voting, for participation in the 58th AGM through VC/OAVM facility and e-Voting during the 58th AGM.

10. Members may note that the VC/OAVM facility, allows participation of at least 1,000 Members on a first come-first-served basis.

11. Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

    Members will be provided with InstaMeet facility wherein Member shall register their details and attend the Annual General Meeting as under:

    i. Open the internet browser and launch the URL for InstaMeet <<https://instameet.linkintime.co.in/>> and register with your following details:

        a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company

        b. PAN: Enter your 10 digit Permanent Account Number (PAN)

        c. Mobile No.

        d. Email ID

    ii. Click "Go to Meeting"

12. Members who need assistance before or during the AGM, can contact instameet@linkintime.co.in or call on 022-49186175.

13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Procedure to raise questions / seek clarifications with respect to Annual Report at the ensuing 58th AGM:

14. Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at mittal.mehta@gmmpfaudler.com. Questions / queries received by the Company till 5:00 p.m. on Tuesday, August 10, 2021 shall only be considered and responded during the AGM.

15. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.

Procedure for remote e-Voting and e-Voting during the AGM

16. All the shareholders of the Company including retail individual investors, institutional investors, etc. are encouraged to attend and vote in the AGM to be held through VC/OAVM.

17. In compliance with the provisions of Section 108 of the Act read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), members are provided with the following alternatives by which they may cast their votes:

    i. Remote e-voting

    Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post June 9, 2021.

    The remote e-voting platform is being provided by the Company's Registrar & Share Transfer Agent – Link Intime India Pvt. Ltd. and the e-voting period will commence on **Tuesday, August 10, 2021 at 9:00 a.m.** and will end on **Thursday, August 12, 2021 at 5:00 p.m**. The remote e-Voting module will be disabled by Link Intime for voting thereafter.

    Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

    Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL	• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. • Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name – Link Intime India Private Limited ("Link Intime/ LIIPL") and you will be re-directed to the Link Intime E-voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see the e-Voting page. Click on options available against the Company's name or e-Voting service provider – Link Intime and you will be re-directed to the Link Intime E-voting website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.
Individual Shareholders holding securities in Demat mode with CDSL	• Existing user who have opted for Easi / Easiest, can login through their User ID and Password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E-Voting Menu. The Menu will have links of e-Voting service provider i.e. Link Intime. Click on Link Intime to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in Demat mode) & login through their Depository participants ("DP")	• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in Physical mode & E-voting service provider is Link Intime.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in Click on **"Sign Up"** under '**SHARE HOLDER'** tab and register with your following details: - **A. User ID:** Shareholders/ members holding shares in physical form shall provide Event No. + Folio Number registered with the Company. **B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. **C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) **D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company. • Shareholders/ members holding shares in physical form but have not recorded information under 'C' and 'D', shall provide their Folio number in 'D' above ▪ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter). ▪ Click "confirm" (Your password is now generated). 2. Click on 'Login' under 'SHARE HOLDER' tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'. 4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). 7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/ power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & E-voting service Provider is Link Intime, have forgotten the password:

- o Click on 'Login' under 'SHAREHOLDER' tab and further Click 'forgot password?'
- o Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.

- In case shareholders/ members have valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL who have forgotten their password:

- Shareholders/ Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Shareholders/ Members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case Shareholders/ Members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & E-voting service provider is Link Intime.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

ii. Voting during the Annual General Meeting through InstaMeet:

Members who have not exercised their vote through the remote e-voting can cast their vote during the meeting once the electronic voting is activated by the scrutinizer / moderator. Instructions and information relating to e-Voting during the Annual General Meeting through InstaMeet are as follows:

2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour / Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-Voting, shall be eligible to vote through e-Voting system during the AGM.

In case members have any queries regarding e-voting, they may refer the

Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

18. General Guidelines for shareholders:

a) Institutional shareholders / Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are requested to send a scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer at js@rathiandassociates.com with a copy marked to satyan.desai@linkintime.co.in

b) Members who have cast their votes by remote e-Voting prior to the AGM may also attend/ participate in the Meeting through VC/OAVM but they shall not be entitled to cast their vote again.

c) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e. Friday, August 6, 2021.

d) Mr. Jayesh Shah, Partner, M/s. Rathi & Associates, Practicing Company Secretaries (Membership No. F 5637, COP: 2535), has been appointed as the Scrutinizer for conducting voting process in a fair and transparent manner.

e) The Chairman shall, at the AGM, at the end of discussion on all the resolutions on which voting is to be held, allow voting by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.

f) The results shall be declared not less than forty – eight (48) hours from conclusion of the AGM. The results along with the report of the Scrutinizer shall be placed on the website of the Company www.gmmpfaudler.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

19. Documents open for inspection:

a) All the documents referred to in the accompanying notice and the statement pursuant to Section 102 of the Companies Act, 2013 shall be available for inspection through electronic mode. Members are requested to write to the Company on mittal.mehta@gmmpfaudler.com for inspection of said documents; and

b) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members during the AGM at http://www.gmmpfaudler.com/content/documents_for_inspection.pdf

Dividend related information

20. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 7, 2021 to Friday August 13, 2021 (both days inclusive).

21. Final dividend for the financial year ended March 31, 2021, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid on or before Friday, September 10, 2021, to those members whose names appear on the Register of Members as on Friday, August 6, 2021.

22. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their demat accounts, will be used by the Company for payment of dividend.

23. Members holding shares in physical / electronic form are required to submit their bank account details, if not already registered, as mandated by SEBI.

24. Process for updating of bank account mandate for receipt of dividend electronically:

In case the shareholder has not registered his/ her/ their email address with the Company/its RTA/ Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

i) Kindly log in to the website of our RTA, Link Intime India Pvt. Ltd., www.linkintime.co.in under Investor Services > Email/Bank detail registration - fill in the details and upload the required documents and submit. OR

ii) In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

25. In case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall upon normalisation of postal services dispatch the dividend warrants to such shareholder by post.

26. Members may note that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by the Company after 1st April 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to approval of shareholders in the ensuing AGM.

    The TDS rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. The TDS for various categories of shareholders along with required documents are provided in Table 1 and 2 below:

Table 1: Resident Shareholder

Category of Shareholder	Tax Deduction Rate	Exemption Applicability / Documents required
Any resident shareholder	10%	Update the PAN if not already done with depositaries (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents – Link Intime India Private Limited (in case of shares held in physical mode). • No deduction of taxes in the following cases - If dividend income to a resident Individual shareholder during FY21 does not exceed ₹ 5,000/-, • If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same.
Submitting Form 15G / Form 15H	NIL	Eligible Shareholders providing Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years) - on fulfilment of prescribed conditions. Please refer attached format.
Order under section 197 of the Income Tax Act, 1961	Rate provided in the order	Lower / NIL withholding tax certificate obtained from Income Tax Authorities.
Insurance Companies: Public & Other Insurance Companies	NIL	Self-declaration that it has full beneficial interest with respect to shares owned, along with self-attested copy of PAN card and registration certificate
Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income	NIL	Documentary evidence that the person is covered under section 196 of the Income Tax Act, 1961.
Mutual Funds	NIL	Documentary evidence that the person is covered under section 196 of the Income Tax Act, 1961.
Alternative Investment Fund	NIL	Documentary evidence that the person is covered by Notification No. 51/2015 dated June 25, 2015.
Other resident shareholder without PAN / Invalid PAN / Specified person under Section 206AB of the Income Tax Act, 1961	20%	

Please Note that:

a) Recording of the valid Permanent Account Number (PAN) for the registered Folio/DP id-Client Id is mandatory. In absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Income Tax Act, 1961.

b) Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

Table 2: Non-resident Shareholders

Category of Shareholder	Tax Deduction Rate	Exemption Applicability / Documents required
Any non-resident shareholder	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the company. • Copy of the PAN Card, if any, allotted by the Indian authorities. • Self-attested copy of Tax Residency Certificate (TRC) valid as on the AGM date obtained from the tax authorities of the country of which the shareholder is resident. • Self-declaration in Form 10F in the attached form. • Self-declaration confirming not having a Permanent Establishment in India, eligibility to Tax Treaty benefit and do not/ will not have place of effective management in India. (format attached herewith). TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided. The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and are in accordance with the provisions of the Income Tax Act, 1961.
Submitting Order under section 195(3) / 197 of the Act.	Rate provided in the Order	Lower / NIL withholding tax certificate obtained from Income Tax authorities.

Note : The Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts

All Shareholders are requested to ensure that the documents as mentioned in the Table 1 and 2 above are required to be submitted to the Company / Registrar at email ID gmminvestors@linkintime.co.in or update the same by visiting the link https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before August 5, 2021 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication/ documents on the tax determination / deduction shall be considered post 11:59 PM (IST) of August 5, 2021.

No claim shall lie against the Company for such taxes deducted.

The Company will arrange to e-mail a soft copy of the TDS certificate at the shareholders registered email ID in due course, post payment of the said Final Dividend. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at https://incometaxindiaefiling.gov.in.

27. Procedure for registration of e-mail address and bank details by shareholders: -

i) For temporary registration for demat shareholders:

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Pvt Ltd by clicking the link: https://linkintime.co.in/emailreg/email_register.html on their web site www.linkintime.co.in at the Investor Services tab by choosing the E-mail Registration heading and follow the registration process as mentioned therein. The members are requested to provide details such as Name, DPID, Client ID / PAN, mobile number and e-mail id. In case of any query, a member may send an email to RTA at rnt.helpdesk@linkintime.co.in

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

ii) For Permanent Registration for Demat shareholders:

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

iii) Registration of email id for shareholders holding physical shares:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Pvt Ltd, by clicking the link: https://linkintime.co.in/emailreg/email_register.html on their web site www.linkintime.co.in at the Investor Services tab by choosing the e-mail / Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e mail id and also upload the image of share certificate in PDF or JPEG format. (upto 1 MB). In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

iv) Registration of Bank Details for physical shareholders:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with Link Intime India Pvt Ltd, by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the email/ Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, e-mail id along with the copy of the cheque leaf with the first named shareholders name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. In case of any query, a member may send an email to RTA at rnt.helpdesk@linkintime.co.in.

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the details and documents as mentioned above before Thursday, August 05, 2021.

It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

28. Transfer of Unclaimed Dividend Amounts to the Investor Education and Protection Fund (IEPF):

A. Pursuant to the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules"), (including any statutory modification(s) and or re-enactment(s) thereof for the time being in force), dividends that are unpaid or unclaimed for a period of 7 (seven) years from the date of their transfer are required to be transferred by the Company to the IEPF, administered by the Central Government. Further, according to the said IEPF Rules, shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

B. During the FY21, the Company has transferred to IEPF, the following unclaimed dividends and corresponding shares thereto:

Particulars	Amount of Dividend (in ₹)	No. of shares
Final dividend 2012-13	69,871.90	1,035
1st interim dividend 2013-14	76,143.90	2,071
2nd interim dividend 2013-14	74,844.00	450
3rd interim dividend 2013-14	75,423.60	85

C. The dividend amount and shares transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends are also available on the Company's website at http://www.gmmpfaudler.com/investor-relations-unclaimed-dividend.php

D. The details of dividend paid for the financial year 2014-15 onwards proposed to be transferred to IEPF are given below:

Date of declaration	Dividend Details	Dividend in ₹ Per share	Due date of the proposed transfer to IEPF
30-Sep-2014	Final dividend (2013-14)	0.90	30-Oct-2021
7-Nov-2014	2nd interim dividend (2014-15)	0.70	7-Dec-2021
12-Feb-2015	3rd interim dividend (2014-15)	0.70	14-Mar-2022
30-Jul-2015	1st interim dividend (2015-16)	0.70	29-Aug-2022

Others

29. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases, viz. (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.

30. As per Regulation 40 of Listing Regulations, securities of listed companies can only be transferred in dematerialized form, with effect from April 1, 2019, except in case of request of transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are urged for converting their holding to demat form. Members may contact the Company or Link Intime India Pvt. Ltd. for any assistance in this regard.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 5

The Board, based on the recommendation of the Audit Committee, has approved the reappointment of M/s. Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338) as Cost Auditors for conducting the Cost Audit of the Company for the financial year 2021-22 at a remuneration of ₹ 165,000/- (Rupees One Lakh Sixty Five Thousand only) plus GST as applicable and reimbursement of out-of-pocket expenses.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to M/s. Dalwadi & Associates, Cost Auditors, as stated above requires ratification by the Members.

The Board recommends the resolution set forth at Item No. 5 for the approval of Members as an Ordinary Resolution.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Item No. 6

Mr. Alexander Pömpner (DIN 0008778448), Director nominated by Pfaudler Inc., has been the CFO of the Pfaudler Group prior to the acquisition of the Pfaudler group by the Company in February 2021. Pursuant to the acquisition of majority stake in the business of the Pfaudler Group by the Company, Mr. Alexander Pömpner, CFO - Pfaudler Group is now also an employee of the Company's subsidiaries. In this context, Mr. Pömpner had resigned as a director of the Company w.e.f. May 28, 2021.

Pursuant to the Shareholders Agreement dated October 28, 2020, Pfaudler Inc., Foreign Promoters of the Company have nominated Mr. Malte Woweries (DIN 0009164705) as its nominee in place of Mr. Pömpner. As per the recommendation of the Nomination and Remuneration Committee, the Board of Directors vide resolution passed on May 28, 2021, appointed Mr. Malte Woweries as a Director of the Company in place Mr. Pömpner. Mr. Woweries is eligible to hold office of the Director of the Company and has offered himself for the office of director of the Company.

As per the provisions of Section 161(4) of the Companies Act, 2013, the said director shall hold office up to the date of ensuing Annual General Meeting. The Company has received a Notice under Section 160 of the Act from Pfaudler Inc., nominating Mr. Woweries as a director on the Board.

As per the provisions of the aforesaid section, approval of members is necessary for appointment of Mr. Woweries as a Director of the Company.

A brief profile of Mr. Malte Woweries is annexed to this Notice.

The Board of Directors recommends his appointment by passing of an Ordinary Resolution as set out at Item No. 6 of this Notice.

Except Mr. Malte Woweries, none of the Directors and/ or Key Managerial Personnel and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

Item No. 7

Section 197 (4) of the Companies Act, 2013 states that the remuneration payable to the directors of a company, including any Managing Director, shall be determined either by the articles of the company, or by a resolution or, if the articles so require, by a special resolution, passed by the company in general meeting. In accordance with the provisions of this section, the Company has sought approval from the shareholders of the Company by way of special resolution from time to time for payment of remuneration to the Managing Director of the Company.

Further, articles 175.3 (f) and (g) of the articles of association state as follows:

(f) So long as the Patel Group Nominee holds the office of Managing Director or executive whole-time Director of the Company, the Company shall pay a salary, remuneration and commission that is equivalent to 5% (five percent) of the net profits of the Company ("Commission").

(g) In calculating the amount of the Commission to be paid by the Company to the Patel Group Nominee who has been appointed as the Managing Director, such amount shall be reduced to the extent that the Patel Group Nominee receives any other type of payments under the MD Agreement.

Accordingly, in order to align the provisions of the articles of association with the provisions set out under Section 197 (4) of the Companies Act, 2013 which permits the determination of remuneration by way of shareholder resolution, the alteration to Articles 175.3(f) and (g) is proposed by way of special resolution set out at Item No. 8.

The draft of the Amended Articles of Association will be available for electronic inspection by the members from the date of circulation of this Notice up to the date of this meeting i.e. Friday, August 13, 2021. Members seeking to inspect such document may send an email to investorservices@gmmpfaudler.com or mittal.mehta@gmmpfaudler.com requesting a copy of the same.

Except for Mr. Tarak Patel and his relatives, who are named in the promoter group of the Company and Mr. Ashok Patel, the director of the Company who is also the father of Mr. Tarak Patel, none of the directors, promoters and key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

As per the provisions of Section 14 of the Companies Act, 2013, any alterations in the articles of association would require the approval of members by way of special resolution.

The Board recommends the resolution set forth in Item No. 7 for the approval of the members as a special resolution.

Item No. 8

The Board of Directors of the Company in its meeting dated May 23, 2020 and shareholders of the Company at the 57th Annual General Meeting of the Company dated August 27, 2020 ("Shareholder Resolution") had approved the terms of appointment of Mr. Tarak Patel as the managing director of the Company (including remuneration payable to Mr. Tarak Patel for financial year 2020 - 21 till financial year 2022-23) (such remuneration approved to be referred as "Original Remuneration"). Key terms of the Original Remuneration approved pursuant to the Shareholder Resolution are set out below:

Year	Fixed Component (₹ in million)	Variable Component
FY21	₹ 22.50 per annum	Remuneration @ 5% of the Net Profit computed under Section 198 of the Companies Act, 2013 for FY21 minus ₹ 22.50 per annum
FY22	Minimum ₹ 25.00 per annum or as may be decided by the BOD	Remuneration @ 5% of the Net Profit computed under Section 198 of the Companies Act, 2013 for FY22 minus the Fixed Component I paid in FY22 (that is ₹ 25 million per annum or as maybe decided by the Board)
FY23	Minimum ₹ 27.50 per annum or as may be decided by the BOD	Remuneration @ 5% of the Net Profit computed under Section 198 of the Companies Act, 2013 for FY23 minus the Fixed Component I paid in FY23 (that is ₹ 27.50 million per annum or as maybe decided by the Board).

The Company has completed the acquisition of the Pfaudler entities in February, 2021 pursuant to which the role and responsibilities of Mr. Tarak Patel as the Managing Director of the Company (which is the holding company of the entire Pfaudler group) has increased substantially. Accordingly, and pursuant to the recommendation of the Nomination and Remuneration Committee, as per the Nomination, Remuneration and Evaluation Policy of the Company, the Board of Directors of the Company in their meeting dated May 28, 2021 approved the payment of additional remuneration for Mr. Tarak Patel, in his capacity as the Managing Director, based on the performance of GMM International S.a.r.l., (the subsidiary of the Company in Luxembourg that consolidates entire Pfaudler group) subject to an aggregate annual cap of USD 500,000 ("Additional Remuneration").

The Additional Remuneration is to be paid to Mr. Tarak Patel, as the managing director, in the following manner and for the following time period

Year	Additional Fixed Component (as part of Additional Remuneration)	Additional Variable Component** (as part of Additional Remuneration)
FY21	*USD 275,000 per annum (approx. ₹ 20.07 million at exchange rate of ₹ 73/-)	To be computed basis 3% of net income of GMM International S.a.r.l. to the extent such net income is in excess of USD 9,000,000 (that is net income minus USD 9,000,000). **Measurement:** Net income shall be determined on the basis of GMM International S.a.r.l's annual operating result.
FY22	USD 275,000 per annum (approx. ₹ 20.07 million at exchange rate of ₹ 73/-)	
FY23	USD 275,000 per annum (approx. ₹ 20.07 million at exchange rate of ₹ 73/-)	
FY24	USD 275,000 per annum (approx. ₹ 20.07 million at exchange rate of ₹ 73/-)	

**Additional Fixed Component and Additional Variable Component for FY 21 shall be pro-rated for 2 months on account of completion of Pfaudler Acquisition in February 2021.*

***Total of Additional Fixed Component and Additional Variable Component shall be capped at USD 500,000.*

The Additional Remuneration is to be paid in addition to the Original Remuneration (Additional Remuneration and Original Remuneration shall be collectively referred as **"Revised Remuneration"**).

The payment of Additional Remuneration results in the Revised Remuneration (which includes the Original Remuneration) payable to Mr. Tarak Patel to exceed 5% of the net profits of the Company and it may also exceed ₹ 5,00,00,000 (Indian Rupees Five Crores) for a given financial year. Whilst the Shareholder Resolution already approves payment of remuneration in excess of 5% of the net profits of the Company or above ₹ 5,00,00,000 (Indian Rupees Five Crores) to Mr. Tarak Patel, pursuant to the provisions of Section 196 (4) of the Companies Act, 2013 (which requires remuneration payable to a Managing Director to be approved by the shareholders) read with Sections 197 and 198 of the Companies Act, 2013 and Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the shareholders of the Company by way of a special resolution is sought for payment of the Revised Remuneration to Mr. Tarak Patel.

The said Revised Remuneration and other benefits shall be paid in the following manner:

Remuneration:

a. **Basic Salary:**
   i) No change for FY21 except for payment of the proposed Additional Remuneration for period of two months as shown above.
   ii) ₹ 3,654,947 per month for the financial year 2021-22 with such increments as the Board may decide from time to time for the subsequent years.

b. Premium on Personal Accident Insurance as per the Company's policy.

c. Leave Travel allowance incurred for self and his family as per the Company's policy.

d. Contribution to the Provident Fund, Gratuity, Superannuation Fund, National Pension Scheme and/or any other Statutory contributions/Funds as per the Company's policy.

e. Leave and encashment of leave as per the Company's policy.

Perquisites:

a. Provision for a car and driver as per the Company's car policy.

b. Fee of clubs.

Others:

a. Reimbursement of entertainment, travelling, phone and all other expenses incurred in relation to the business of the Company as per the Company's policy.

   The annual remuneration of Managing Director will be reviewed on April 1 each year, as per the Company's policy.

Commission:

Basis the Revised Remuneration mentioned above, the Managing Director shall also be entitled to receive commission / performance linked bonus in addition to the aforesaid salary and perquisites as may be recommended by the nomination & remuneration committee based on the net profits of the Company of the respective financial year and / or basis the achievement of other performance parameters as maybe determined by the Board of directors (including the nomination and remuneration committee) from time to time.

Minimum Remuneration:

In case of loss of or inadequate profits of the Company, the aforesaid Revised Remuneration payable to Mr. Tarak Patel shall be treated as minimum remuneration payable to the Managing Director.

The other main terms and conditions of appointment of Mr. Tarak Patel as Managing Director are as under:

1. The Managing Director shall exercise and perform such powers and duties as the Board shall from time-to-time delegate.
2. The Managing Director will be paid compensation for the loss of his office or for retirement from the office in accordance with the provisions of Section 191 and 202 of the Companies Act, 2013 or any other provisions of the law for the time being in force.
3. Either of the parties can terminate the said arrangement upon giving three months' notice in writing to the other party.

The explanation together with accompanying notice may also be considered as an abstract of the terms of appointment of the Managing Director and memorandum as to nature of concern or interest of Directors in the said appointment as required under Section 190 of the Companies Act, 2013.

The information required under Clause (iv) of Paragraph 1(B) of Section II in Part II of Schedule V of the Companies Act, 2013 is as under:

I. GENERAL INFORMATION

Nature of Industry:

GMM Pfaudler Limited was incorporated in 1962 and commenced commercial production in 1965.

The Company is a leading manufacturer of chemical processing equipment, which primarily used in the pharmaceutical, specialty chemicals, agro chemicals and other chemical processing industries. The products manufactured by the Company cover a wide range of process equipment such as corrosion-resistant glass lined reactors and storage tanks, agitated nutsche filters and filter dryers, wiped film evaporators, agitators and mixing systems, fluoropolymer products and custom-built chemical equipment in stainless steel and other exotic alloys.

Financial Performance:

Under the leadership of Mr. Tarak Patel, Managing Director, the Company has grown satisfactorily as can be seen from the financial indicators (standalone basis) given below: (₹ in million)

	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016	31.03.2015
Income from Operations	6,408.09	5,163.55	4,187.02	3,124.10	2,663.07	2,296.01	2,240.09
Profit After Tax	951.02	621.23	406.35	283.75	260.72	183.58	172.03
Fixed Assets	1,793.79	1,288.85	677.07	632.99	499.66	438.11	376.18
Share Capital	29.23	29.23	29.23	29.23	29.23	29.23	29.23
Reserves	3,544.28	2,681.57	2,147.93	1,828.82	1,618.80	1,408.50	1,253.21
Dividend %	250%	250%	225%	200%	200%	150%	150%

Foreign investments or collaborations:

GMM Pfaudler Limited successfully completed the transaction to acquire a majority stake of its parent, the Pfaudler Group from the private equity firm Deutsche Beteiligungs AG Fund VI, after receiving all necessary regulatory approvals on February 16, 2021.

Pursuant to the acquisition, GMM Pfaudler has become the ultimate holding company of the Pfaudler group, with the entire business of Pfaudler being consolidated into GMM Pfaudler. The Company is now a global and diverse company, employing over 1,500 employees and 13 manufacturing facilities in four continents. GMM Pfaudler is present on the market with several branded product lines covering a broad portfolio that includes fluoropolymers, filtration & drying, engineered column systems, lab & process glass, sealing technology and glass lined & alloy systems. The Company's Systems and Services capabilities allow the company to support customers from the lab to the full-scale production plant, including optimizing and improving the whole life cycle of any process equipment normally used in the chemical, pharmaceutical and food industries.

II. INFORMATION ABOUT THE APPOINTEE

Mr. Tarak Patel is BA in Economics from the University of Rochester, USA and an MBA degree jointly conferred by Columbia Business School, London Business School and University of Hong Kong (HKU) Business School.

Prior to joining GMM Pfaudler Limited, Mr. Patel worked with Universal Consulting, a leading Strategy Management Consulting & Growth Strategy Consulting Company based in Mumbai, India.

Mr. Tarak Patel joined the Company in 2005 as Vice President – Sales & Marketing and was thereafter appointed as Executive Director on January 30, 2007. As a Director of the Company, Mr. Tarak Patel was instrumental in completing the 100% acquisition of Mavag AG, Switzerland a leading supplier of highly engineered critical equipment for the pharmaceutical, bio engineering and fine chemical industries.

Mr. Tarak Patel was appointed as a Managing Director of the Company w.e.f. June 1, 2015. Under his leadership, the Company laid down its Vision, Mission and Values, introduced "GMM's DNA for Success", a Competency Framework to provide a structured guide enabling the identification, evaluation and development of the behaviour in individual employees and also successfully completed its five-year Strategic Plan "Mission 2020."

Under the guidance of Mr. Tarak Patel, the Company has launched its next five year Strategic Plan "UDAAN" for FY21 to FY25 which outlines the direction that the Company will take to grow profitably and create value for our stakeholders over the next five years.

Mr. Tarak Patel played a pivotal role in various acquisitions during the FY21:

In July 2020, GMM Pfaudler acquired the glass lining manufacturing facility at Hyderabad of its competitor De Dietrich Process Systems India Private Limited. The plant spread over 6 acres of land is equipped with world-class equipment to manufacture Glass Lined Equipment and Pressure Vessels. This facility has been operational since October 2020.

In February 2021, the Company acquired a majority stake in the global business of its parent, the Pfaudler Group. Pursuant to the acquisition, GMM Pfaudler has become the holding company of the Pfaudler group, with the entire business of Pfaudler International being consolidated into GMM Pfaudler. Post this acquisition, GMM Pfaudler has emerged as a leading supplier of corrosion-resistance technologies, systems and services with 13 manufacturing facilities across 8 countries and 4 continents.

In March 2021, the Company acquired a state-of-the-art facility spread over 11.9 acres with 7 manufacturing bays (built-up area of 23,617 square meters). This unit is located in Vatva, Ahmedabad and is equipped to manufacture a wide array of Heavy Engineering equipment owned by HDO Technologies Limited (in Liquidation). This acquisition will significantly enhance GMM Pfaudler's capacity and augment its capabilities in Heavy Engineering. This will also release capacity at the Karamsad facility to enhance capacity of its Glass Lined business. This facility has commenced operations in a phased manner in May 2021.

Further, various cost reduction and efficiency programs such as Throughput improvement program, 5S, New ERP system, commissioning of a new natural gas furnace, 5S, etc. were launched and successfully implemented which have helped the Company to improve revenue and profitability.

Mr. Tarak Patel serves as Director on the Boards of Skyline Millars Ltd., Ready Mix Concrete Ltd. and subsidiaries of GMM Pfaudler namely Mavag AG, GMM International Sa.r.l. Mr. Patel is on the Governing Council of the Charutar Arogya Mandal and on the Board of ReefWatch Marine Conservation.

Remuneration:

Mr. Tarak Patel was paid a total remuneration of ₹ 66.14 million (which included payment of commission of ₹ 44.28 million) for the FY21. The proposed remuneration of Mr. Tarak Patel is comparable with remuneration norms in the industry having regard to the size and products of the Company.

Job Profile and Suitability:

Mr. Tarak Patel, as Managing Director, is responsible for the operation and affairs of the Company. He is also responsible for developing a long-term strategy to ensure the Company's growth in both sales and profit. Mr. Patel's qualification and experience in the Chemical Processing Industry is suitable for the responsibilities as the Managing Director of the Company.

Pecuniary relationship directly or indirectly with the Company:

Mr. Tarak Patel is the son of Mr. Ashok Patel, the Indian Promoter & Non-Executive Director of the Company. Mr. Tarak Patel along with his relatives holds 8.52% of the shares in the Company.

III. OTHER INFORMATION

For the year ended March 31, 2021, the Company reported a standalone net profit of ₹ 951.02 million.

Demand for Company's product and services continue to be strong. The Company continues to have a healthy back log of orders. This strong position is the result of several initiatives taken by the Company in strengthening its sales and marketing organization and after sales service set up.

Expected increase in productivity and profits in measurable terms:

With these initiatives coupled with the benefit of synergic benefits of subsidiary Companies, the Company is expected to achieve the Consolidated revenue in the region of ₹ 28 bn by 2024 and ROCE of over 20% for combined business by FY24.

A brief profile of Mr. Tarak Patel is annexed to this Notice.

Draft of the amended employment contract between Mr. Tarak Patel and the Company will be available for electronic inspection by the members from the date of circulation of this Notice up to date of this meeting i.e. Friday, August 13, 2021. Members seeking to inspect such document may send an email to investorservices@gmmpfaudler.com or mittal.mehta@gmmpfaudler.com requesting a copy of the same.

The Board recommends the resolution at Item No. 8 of the accompanying Notice for approval of the members as a Special Resolution.

Except Mr. Tarak Patel and his relatives, who are named in the promoter group of the Company and Mr. Ashok Patel, director of the Company who is also the father of Mr. Tarak Patel, none of the Directors, promoters and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

Item No. 9

Mr. Thomas Kehl (DIN 06935094), director nominated by Pfaudler Inc., has been the CEO of the Pfaudler group prior to the acquisition of the Pfaudler group by the Company in February 2021. Pursuant to the acquisition of majority stake in the business of the Pfaudler Group by the Company, Mr. Thomas Kehl, CEO — Pfaudler Group is now also an employee of the Company's subsidiaries. In this context, Mr. Kehl had resigned as a Director of the Company w.e.f. May 28, 2021.

Pursuant to the Shareholders Agreement dated October 28, 2020, Pfaudler Inc., Foreign Promoters of the Company have nominated Mr. Günter Bachmann as its nominee in place of Mr. Thomas Kehl w.e.f. June 28, 2021. As per the recommendation of the Nomination and Remuneration Committee, the Board of Directors vide circular resolution passed on June 28, 2021, appointed Mr. Günter Bachmann as a Director of the Company in place Mr. Kehl. Mr. Bachmann is eligible to hold office of the director of the Company and has offered himself for the office of director of the Company.

As per the provisions of Section 161(4) of the Companies Act, 2013, the said director shall hold office up to the date of ensuing Annual General Meeting. The Company has received a Notice under Section 160 of the Act from Pfaudler Inc., nominating Mr. Bachmann as a director on the Board.

As per the provisions of the aforesaid section, approval of members is necessary for appointment of Mr. Bachmann as a Director of the Company.

A brief profile of Mr. Günter Bachmann is annexed to this Notice.

The Board of Directors recommends his appointment by passing of an Ordinary Resolution as set out at Item No. 9 of this Notice.

Except Mr. Günter Bachmann, none of the Directors and/or Key Managerial Personnel and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 9.

By Order of the Board of Directors
For GMM Pfaudler Limited

Mittal Mehta
Company Secretary
M.No. 7848

Place: Mumbai
Date: June 28, 2021

Registered Office:
Vithal Udyognagar, Anand – Sojitra Road,
Karamsad - 388 325, Gujarat

Annexure

Brief Profile of Director(s) seeking continuation of Directorship pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standards 2 on General Meetings issued by the Institute of Company Secretaries of India

Name of Director	**Mr. Ashok Patel**
DIN	00165858
Date of Birth	September 6, 1944 (77 years)
Qualifications	B. Sc degree from the University of Manchester Institute of Science & Technology, UK and a MBA from the Columbia University, USA.
Expertise in specific functional area	48 years of experience and expertise in International Business, Finance, Strategy, Technology and General Management
Date of first appointment on the Board	January 1, 1988
Shareholding in the Company as on March 31, 2020	6,745 Equity Shares
Terms and conditions of appointment/ continuation of Directorship	Non-Executive Director liable to retire by rotation.
Details of last remuneration drawn in ₹ (FY21)	₹ 1.05 million as sitting fees
Details of proposed remuneration	Sitting fees as may be approved by the Board, in accordance with the applicable provisions of law.
Inter-se Relationship between • Directors • Key Managerial Personnel	Father of Mr. Tarak Patel – Managing Director
Number of Meetings of the Board attended during the FY21.	Held - 7 Attended – 7
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of the Company	Member of the Corporate Social Responsibility and Nomination & Remuneration Committee
Other Companies in which she/he is a Director excluding Directorship in Private and Section 8 Companies	1. Skyline Millars Ltd. 2. Ready Mix Concrete Ltd.
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of other Listed Companies in which he is a Director	Nil

Name of Director	**Mr. Harsh Gupta**
DIN	02434051
Date of Birth	July 8, 1968 (53 years)
Qualifications	Bachelor of Arts in Economics from Vassar College, New York, USA, MBA from the McDonough School of Business, Georgetown University, USA. While at Vassar, was granted a Ford Foundation Scholarship for research in economics, and honoured with membership to Omicron Delta Epsilon, an economics honour society.
Expertise in specific functional area	23 years of experience and expertise in Leadership, Entrepreneurship, Sales & Marketing, and Business Strategy
Date of first appointment on the Board	April 1, 2020
Shareholding in the Company as on March 31, 2021	Nil
Terms and conditions of appointment/ continuation of Directorship	Non-Executive Director liable to retire by rotation.
Details of last remuneration drawn in ₹ (FY21)	₹ 1.05 million as sitting fees
Details of proposed remuneration	Sitting fees as may be approved by the Board, in accordance with the applicable provisions of law.
Inter-se Relationship between • Directors • Key Managerial Personnel	Not Applicable
Number of Meetings of the Board attended during the FY21.	Held - 7 Attended – 7
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of the Company	Member of the Stakeholders Relationship Committee and Risk Management Committee
Other Companies in which she/he is a Director excluding Directorship in Private and Section 8 Companies	1. Solaris Chemtech Industries Limited
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of other Listed Companies in which he is a Director	Nil

Name of Director	**Mr. Malte Woweries**
DIN	0009164705
Date of Birth	April 20, 1979 (42 years)
Qualifications	BA Hons Economics, Cambridge University (2003); MA Economics, Instituto Tecnologico Autonomo de Mexico (ITAM) (2005); MA, Cambridge University (2007)
Expertise in specific functional area	Finance, Mergers & Acquisitions, Strategy, Financial Planning and Investor Communication
Date of first appointment on the Board	May 28, 2021
Shareholding in the Company as on March 31, 2021	Nil
Terms and conditions of appointment/ continuation of Directorship	Non-Executive Director liable to retire by rotation.
Details of last remuneration drawn in ₹ (FY21)	Nil
Details of proposed remuneration	Sitting fees as may be approved by the Board, in accordance with the applicable provisions of law.
Inter-se Relationship between • Directors • Key Managerial Personnel	Not Applicable
Number of Meetings of the Board attended during the FY21.	Since he was appointed w.e.f. May 28, 2021, he was not entitled to attend any board meeting during the FY21.
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of the Company	Member of the Audit Committee and Risk Management Committee.
Other Companies in which she/he is a Director excluding Directorship in Private and Section 8 Companies	Nil
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of other Listed Companies in which he is a Director	Nil

Name of Director	**Mr. Tarak Patel**
DIN	00166183
Date of Birth	December 28, 1975 (45 years)
Qualifications	BA in Economics from the University of Rochester, USA and an MBA jointly conferred by Columbia Business School, London Business School and University of Hong Kong (HKU) Business School.
Expertise in specific functional area	Finance, Marketing and Business Management
Experience	20 years
Date of first appointment on the Board	January 30, 2007
Shareholding in the Company as on March 31, 2021	173,960
Terms and conditions of appointment/ continuation of Directorship	Managing Director
Details of last remuneration drawn in ₹ (FY21)	₹ 66.14 million*
Details of proposed remuneration	Please refer to Explanatory Statement to Item No. 8 of the Notice.
Inter-se Relationship between • Directors • Key Managerial Personnel	Son of Mr. Ashok Patel – Non-Executive Director
Number of Meetings of the Board attended during the FY21.	Held - 7 Attended – 7
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of the Company	Member of Stakeholders Relationship Committee and Corporate Social Responsibility Committee.
Other Companies in which she/he is a Director excluding Directorship in Private and Section 8 Companies	1. Skyline Millars Ltd. 2. Ready Mix Concrete Ltd.
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of other Listed Companies in which he is a Director	Member of Stakeholders Relationship Committee of Skyline Millars Ltd.

*Note(s): *An additional remuneration of ₹ 6.08 million is proposed to be paid to the Managing Director for the FY21 subject to the approval of shareholders at the ensuing Annual General Meeting (for additional details kindly refer explanatory note to item no. 8 of this Notice)*

Name of Director	**Mr. Günter Bachmann**
DIN	0009218679
Date of Birth	November 9, 1954 (67 years)
Qualifications	Degree in Economics/Business from the University of Applied Sciences in Frankfurt.
Expertise in specific functional area	International Business Strategy, Technology and Management
Date of first appointment on the Board	June 28, 2021
Shareholding in the Company as on March 31, 2021	Nil
Terms and conditions of appointment/ continuation of Directorship	Non-Executive Director liable to retire by rotation.
Details of last remuneration drawn in ₹ (FY21)	Nil
Details of proposed remuneration	Sitting fees as may be approved by the Board, in accordance with the applicable provisions of law.
Inter-se Relationship between • Directors • Key Managerial Personnel	Not Applicable
Number of Meetings of the Board attended during the FY21.	Since he was appointed w.e.f. June 28, 2021, he was not entitled to attend any Board meeting during the FY21.
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of the Company	Member of the Nomination & Remuneration Committee.
Other Companies in which she/he is a Director excluding Directorship in Private and Section 8 Companies	Nil
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of other Listed Companies in which he is a Director	Nil

BOARD'S REPORT

To the Members

The Directors have pleasure in presenting the Fifty Eighth Annual Report together with the Consolidated and Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2021.

1. SUMMARY OF THE FINANCIAL RESULTS:

COVID–19 began impacting the Company's business operations from March 14, 2020 by affecting the Company's supply chain and ability to ship ready equipment to the customers. The Company's production eventually shut down completely on March 23, 2020. The Company started the year FY21 with a strong order book which was significantly higher as compared to the previous year. The production facilities resumed operation in April 2020 and the supply chain gradually returned to normal. Even though 20 days of production were lost, which in turn affected the Company's Q1 FY2021 revenues and profitability, the Company continued to accelerate its growth amid challenging and dynamic economic conditions in both domestic and global environments during the year under review.

Since March 2021, India has been witnessing a devastating 2nd wave of COVID-19 cases. This year even though there has been no national lockdown, at the Company's manufacturing facilities in Karamsad and Nacharam have faced disruptions due to regional lockdowns, unavailability of oxygen, manpower shortages, supply chain issues and other covid related issues are being faced. However, appropriate measures have been taken to minimise the impact and the Company is prepared to make up the shortfall once the situation improves.

(₹ in million)

	STANDALONE	
Particulars	**March 31, 2021**	**March 31, 2020**
Revenue from operations (Net of excise duty)	6,408.09	5,163.55
Profit before tax	1,259.03	820.36
Profit after tax	951.02	621.23

During the FY21, on standalone basis revenue was up by 24%, Profit before tax was up by 53% and Profit after tax was up by 53% as compared to previous financial year.

(₹ in million)

	CONSOLIDATED	
Particulars	**March 31, 2021**	**March 31, 2020**
Revenue from operations (Net of excise duty)	10,011.19	5,910.72
Profit before tax	678.63	922.88
Profit after tax	634.05	711.31

During the FY21, on consolidated basis revenue was up by 69%, Profit before tax was down by 26% and Profit after tax was down by 11% as compared to previous financial year. Following maybe considered in the above results:

a) An inventory step-up of ₹ 921.55 million has been recorded out of which ₹ 456.58 million has been charged to Cost of material consumed during quarter and financial year ended March 31, 2021 which is based on sales of such inventory. Estimated period for sale of such inventory is approximately 4 months.

b) The exceptional items during the current quarter and financial year ended on March 31, 2021, relates to one time acquisition related cost amounting to ₹ 335.17 million (Incurred by Parent in India – ₹ 201.82 million, Incurred by its overseas subsidiary – ₹ 133.35 million) incurred to acquire Pfaudler overseas business.

The Company along with its wholly owned subsidiary Mavag AG acquired majority stake of 54% in Pfaudler overseas business through an SPV - GMM International S.a.r.l. on a going concern basis in terms of definite agreement on August 20, 2020 at a consideration of ₹ 2,015.58 million. The acquisition was completed on February 16, 2021 and as per the accounting standard IND AS 103 consolidation was carried out starting February 1, 2021.

2. CHANGES IN NATURE OF BUSINESS:

There was no change in the nature of business of the Company.

However, in February 2021, the Company completed the acquisition of a majority stake (54%) in the global business of its parent, the Pfaudler Group ('Pfaudler acquisition'), from the private equity firm Deutsche Beteiligungs AG Fund VI ('DBAG'), a significant milestone achieved in the history of the Company. Pursuant to the acquisition, GMM Pfaudler has become the ultimate holding company of the Pfaudler group, with the entire business of Pfaudler being consolidated into GMM Pfaudler. GMM Pfaudler is a leading supplier in corrosion-resistance technologies, systems and services with 13 manufacturing facilities across 8 countries and 4 continents. With this acquisition, GMM Pfaudler is now present on the market with several branded product lines covering a broad portfolio that includes glass lined & alloy systems, filtration & drying, engineered column systems, lab & process glass, sealing technology and fluoropolymers. The Company's Systems and Services capabilities allows to support customers from the lab to the full-scale production plant, including optimizing and improving the whole life cycle of any process equipment normally used in the chemical, pharmaceutical and food industries.

3. DIVIDEND:

During the year under review, the Board of Directors declared and paid three interim dividends of ₹ 1.00/- per share each aggregating to ₹ 3.00/- per share. The total amount distributed as interim dividends on the paid-up share capital for the year amounted to ₹ 43.85 million.

Based on the performance of the Company for the year, the Board of Directors is pleased to recommend a final dividend of ₹ 2.00/- per equity share subject to approval of Shareholders at the Annual General Meeting, which if approved, will absorb ₹ 29.23 million towards dividend.

The aggregate amount of payout by the Company considering interim dividends paid during the year and the final dividend recommended for the financial year ended March 31, 2021 would be ₹ 5.00/- per share i.e. ₹ 73.09 million.

The dividend declared and/or paid by the Company for the FY21, is in compliance with the Dividend Distribution Policy.

The Dividend Distribution Policy of the Company is set out as 'Annexure A' forming a part of this Report and is also available on Company's website at https://gmmpfaudler.com/content/DividendDistibutionPolicy.pdf

4. TRANSFER TO RESERVES:

No amount is proposed to be transferred to General Reserve out of the net profits of the Company for the FY21. Hence, the entire amount of profit has been carried forward to the Profit & Loss Reserve Account.

5. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

At the beginning of the FY21, the Company had two subsidiaries namely GMM Mavag AG, wholly owned subsidiary (Non-operating) and Mavag AG, step down subsidiary (Operating). In order to simplify the structure, Mavag AG merged into GMM Mavag AG on February 4, 2021. Thereafter, on February 12, 2021, the name of GMM Mavag AG was changed to Mavag AG.

Pursuant to the Pfaudler acquisition, as disclosed under the Summary of Financial Results, the Company has become the ultimate holding company of the Pfaudler group, with the entire business of Pfaudler Group being consolidated into GMM Pfaudler.

The Policy for determining Material Subsidiaries, as approved by the Board, is uploaded on the Company's website and can be accessed at http://www.gmmpfaudler.com/content/PolicyfordeterminingMaterialSubisidiaries.pdf

The performance and financial position of the Company's subsidiaries for the financial year ended March 31, 2021 are set out as 'Annexure B' forming a part of this Report.

6. SHARE CAPITAL:

There was no change in Authorised and Paid up Share Capital of the Company and neither there was any reclassification nor sub-division of equity shares during the year under review.

However, during the year under review, the Promoters of the Company through Offer for Sale reduced their shareholding in the Company from 75.00% to 54.95%.

7. REVISION OF FINANCIAL STATEMENTS:

None of Financial Statements of the Company, pertaining to previous financial years were revised during the financial year under review.

8. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious lapses have been observed by the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

9. INTERNAL CONTROL SYSTEMS:

The Company's internal control procedure, which includes internal financial controls, ensures compliance with various policies, practices and statutes keeping in view the organization's pace of growth and increasing complexity of operations. The Internal Auditors carry out extensive audits throughout the year across all functional areas and submit their reports to the Audit Committee. The said Reports have not included any observation of any serious lapses in the system during the year under review.

10. MANAGEMENT DISCUSSION & ANALYSIS:

Management Discussion & Analysis Report for the year under review, under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), is presented in a separate section and forms a part of this Report.

11. BUSINESS RESPONSIBILITY REPORT:

Business Responsibility Report for the year under review, under Regulation 34 of the SEBI Listing Regulations, detailing the various initiatives taken by the Company on the environmental, social and governance front, is presented in a separate section and forms a part of this Report.

12. CORPORATE GOVERNANCE:

The Report on Corporate Governance as stipulated under Regulation 34 of the SEBI Listing Regulations forms an integral part of this Report.

The requisite certificate from Deloitte Haskins & Sells, Chartered Accountants confirming compliance with the conditions of corporate governance as stipulated under Schedule V of the SEBI Listing Regulations is enclosed to the Report on Corporate Governance.

13. CORPORATE SOCIAL RESPONSIBILITY:

The Board has constituted a Corporate Social Responsibility ("CSR") Committee as per the provisions of Section 135 of the Companies Act, 2013 ("the Act"). The Board has also framed a CSR Policy as per the recommendations of the CSR Committee.

The CSR Policy is available on the Company's website at http://www.gmmpfaudler.com/content/CorporateSocialResponsibilityPolicy.pdf

The composition of the Committee, contents of CSR Policy and report on CSR activities carried out during the financial year ended March 31, 2021 in the format prescribed under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are set out as 'Annexure C' forming a part of this Report.

14. RELATED PARTY TRANSACTIONS:

All Related Party Transactions ("RPT") that were entered into by the Company during the financial year ended March 31, 2021 were at arm's length basis. Further, all the RPTs were in the ordinary course of business except the Pfaudler acquisition for which approval of the shareholders was obtained through Postal Ballot on December 24, 2020. The particulars of contracts or arrangements made with Related Parties pursuant to Section 188 of the Act is covered in Note 38 to the Standalone Financial Statements forming part of the Annual Report.

The particulars of material contracts or arrangements with related parties entered by the Company during financial year ended March 31, 2021 are given in prescribed Form AOC – 2 set out in 'Annexure D' forming a part of this Report.

All RPTs have been reviewed and certified by an Independent Consultant and placed before the Audit Committee from time to time for their approval and have also been taken on record by the Board.

The Board of Directors has approved the criteria for granting omnibus approval by the Audit Committee within the overall framework of the Policy on RPTs. Omnibus approval is obtained for RPTs which are of repetitive nature and entered in the ordinary course of business and at arm's length.

Policy on dealing with related party transactions, is available on the Company's website at http://www.gmmpfaudler.com/content/PolicyonRelatedPartyTransactions.pdf

15. RISK MANAGEMENT POLICY:

The Company has formulated and adopted a Risk Management Policy to prescribe risk assessment, management, reporting and disclosure requirements of the Company. The said policy is available on the Company's website at http://www.gmmpfaudler.com/content/Risk_Management_Policy_&_Strategy.pdf

16. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP):

A. DIRECTORS:

The present composition of the Board is in compliance with the provisions of Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations, 2015.

During the year under review, Ms. Bhawana Mishra and Mr. Vivek Bhatia were appointed as Independent Directors w.e.f. April 1, 2020 and Mr. Harsh Gupta was appointed as Non-Executive Director and Representative of Pfaudler w.e.f. April 1, 2020. Dr. Dominic Deller, Non-Executive Director (Pfaudler Representative) resigned as a Director of the Company w.e.f. June 30, 2020 and Mr. Alexander Pömpner was appointed as Non-Executive Director and Representative of Pfaudler w.e.f. July 2, 2020 to fill up the said casual vacancy.

Further, Mr. Thomas Kehl and Mr. Alexander Pömpner (Pfaudler Representative) resigned as Directors of the Company w.e.f. the end of business hours on May 28, 2021. Mr. Malte Woweries was appointed as a Non-Executive Director and Representative of Pfaudler w.e.f. May 28, 2021 in the casual vacancy caused by resignation of Mr. Alexander Pömpner. As per the provisions of Section 161(4) of the Act, the said Director being eligible to hold office upto the ensuing Annual General Meeting, necessary resolution forms part of the Notice of the ensuing Annual General Meeting to seek approval of members to the said appointment. The said Director being eligible has expressed his desire for his appointment for the said office.

As on date, Dr. S. Sivaram, Mr. Nakul Toshniwal, Ms. Bhawana Mishra and Mr. Vivek Bhatia are the Independent Directors on the Board. All the Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and amendments effective from April 1, 2019.

Pursuant to the provisions of Section 152 of the Act, Mr. Ashok Patel and Mr. Harsh Gupta, Directors being longest in the office, will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment. The Board recommends their re-appointment in accordance with the provisions of the Act.

All Directors have given a certificate to the Compliance Officer confirming the adherence to the Code of Conduct & Ethics Policy of the Company for the FY21.

B. KEY MANAGERIAL PERSONNEL:

Mr. Tarak Patel, Managing Director, Mr. Ashok Pillai, Chief Operating Officer, Mr. Manish Poddar, Chief Financial Officer and Ms. Mittal Mehta, Company Secretary & Compliance officer are the Key Managerial Personnel of the Company.

During the year under review, Mr. Manish Poddar was appointed as a Chief Integration Officer and Key Managerial Personnel w.e.f. October 21, 2020. Mr. Jugal Sahu, Chief Financial Officer of the Company resigned w.e.f. January 20, 2021 and Mr. Poddar, being eligible, was subsequently re-designated as Chief Financial Officer w.e.f. January 20, 2021.

C. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Act, and in relation to the audited financial statements of the Company for the year ended March 31, 2021, the Board of Directors hereby confirms that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. such accounting policies have been selected and applied consistently and the Directors have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for that year;

c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts of the Company have been prepared on a going concern basis;

e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

D. MEETINGS OF THE BOARD:

Seven (7) Meetings of the Board of Directors were held during the financial year ended March 31, 2021. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report.

E. AUDIT COMMITTEE:

The Audit Committee as on March 31, 2021 comprised of six members viz. Dr. S. Sivaram, Mr. Nakul Toshniwal, Mr. Vivek Bhatia, Ms. Bhawana Mishra as Independent Directors, and Mr. Harsh Gupta & Mr. Alexander Pömpner, Non-Executive Directors.

The details of meetings of the Committee held during the financial year under review along with attendance of members thereof, changes in the composition of Audit Committee during the year and period till date and Role of the Audit Committee are provided in the Corporate Governance Report annexed to this Report. All the recommendations made by the Audit Committee during the year were accepted by the Board.

F. STAKEHOLDERS RELATIONSHIP COMMITTEE & NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to Section 178 of the Act, the Nomination and Remuneration Committee and Stakeholder's Relationship Committee were constituted by the Board of Directors to deal with the matters as specified in the reference given to the respective committees.

The details of roles, powers and meetings of the Committees held during the financial year under review along with attendance of members thereof and status of grievances received from various stakeholders during the financial year are furnished in the Corporate Governance Report annexed to this Report.

G. NOMINATION, REMUNERATION AND EVALUATION POLICY:

The Board of Directors has formulated a Policy which set standards for the nomination, remuneration and evaluation of the Directors and Key Managerial Personnel and aims to achieve a balance of merit, experience and skills amongst its Directors and Key Managerial Personnel.

Details of the Nomination, Remuneration and Evaluation Policy are set out at 'Annexure E' forming a part of this Report.

H. BOARD EVALUATION:

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board, by way of individual and collective feedback from Directors.

The Nomination Remuneration and Evaluation Policy of the Company empowers the Nomination and Remuneration Committee to formulate a process for effective evaluation of the performance of Individual Directors, Committees of the Board and the Board as a whole.

The Independent Directors at their separate meeting reviewed the performance of:

- Non-Independent Directors and the Board as a whole;

- Chairman of the Company after taking into account the views of Executive Directors and Non-Executive Directors;
- The quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Directors were satisfied with the evaluation process undertaken during the year. Further, in the opinion of the Board, all the Directors and in particular Independent Directors possess utmost integrity, professional expertise and requisite experience including proficiency.

I. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry. The Familiarization Programme for the Board and details of various familiarization programmes conducted during the year ended March 31, 2021 are available on the Company's website at http://www.gmmpfaudler.com/content/FamiliarizationProgramme2020_21.pdf

J. SECRETARIAL STANDARDS:

The Directors state that applicable Secretarial Standards, i.e. SS-1 SS-2, SS-3 and SS-4 relating to 'Meetings of the Board of Directors', 'General Meetings', Dividend and Report of the Board of Directors respectively, have been duly followed by the Company.

17. VIGIL MECHANISM FOR THE DIRECTORS AND EMPLOYEES:

The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the Listing Regulations.

It gives a platform to the Directors and Employees to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints.

The mechanism ensures adequate protection and safeguards Directors and Employees from any victimization on reporting of unethical practices and irregularities. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. No instance under the Whistle Blower Policy was reported during the FY21.

18. PUBLIC DEPOSITS:

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Act read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

19. AUDITORS AND AUDITORS' REPORT:

A. STATUTORY AUDITORS:

M/s. Deloitte, Haskins & Sells, Chartered Accountants (FRN 117365W) were reappointed as Statutory Auditors of the Company, for a second term of consecutive five years, i.e. from the conclusion of 57th Annual General Meeting till the conclusion of 62nd Annual General Meeting by the shareholders of the Company. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Auditors' Report for the financial year ended March 31, 2021 does not contain any reservation, qualification or adverse remark. The notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

B. SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Act and Rules made there under, the Board of Directors had appointed M/s. Rathi and Associates, Practicing Company Secretaries for conducting Secretarial Audit Report of the Company for the FY21.

The Secretarial Audit Report obtained pursuant to the provisions of Section 204 of the Act and Rules made there under, from M/s. Rathi and Associates, Practicing Company Secretaries for the FY21 is set out at 'Annexure F' forming a part of this Report.

The Secretarial Auditors Report for the financial year ended March 31, 2021 is self-explanatory and does not call for any further clarifications.

Further, the Board of Directors at their meeting held on May 28, 2021 have re-appointed M/s. Rathi and Associates, Practicing Company Secretaries for conducting Secretarial Audit Report of the Company for the FY22.

C. COST AUDITORS:

M/s. Dalwadi & Associates, Cost Accountants, Ahmedabad, Cost Auditors of the Company for the FY21 have been re-appointed as Cost Auditors for conducting audit of the cost accounting records maintained by the Company in respect of its manufacturing activities for the financial year 2021-22. Necessary resolution for ratification of payment of remuneration to the said Cost Auditors forms part of the Notice of the ensuing Annual General Meeting.

D. INTERNAL AUDITORS:

Mazars Business Advisors Pvt. Ltd., an integrated, independent and international audit, accounting & consulting firm have been appointed by the Board of Directors at their meeting held on May 28, 2021, as Internal Auditors of the Company for the financial 2021-22.

20. CREDIT RATING:

CRISIL vide its report dated April 27, 2021 has reaffirmed the Company's long-term banking facilities the CRISIL AA-/Stable which is considered to have high degree of safety regarding timely servicing of financial obligations.

Further, CRISIL has also retained short-term banking facility ratings at CRISIL A1+ which is considered to have a high degree of safety regarding timely payment of financial obligations carrying lowest credit risk.

21. STATUTORY STATEMENTS:

A. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as required under the provisions of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are set out at 'Annexure G' forming a part of this Report.

B. DISCLOSURES UNDER SECTION 134(3)(l) OF THE COMPANIES ACT, 2013:

There have been no material changes and commitments affecting the financial position of the Company since the closure of financial year i.e. since March 31, 2021.

C. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and on the Company's operations in future.

D. ANNUAL RETURN:

The Annual Return of the Company for the financial year ended March 31, 2021 in Form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014 is available on the Company's website at http://www.gmmpfaudler.com/content/AnnualReturnFY20-21.pdf

E. DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year under review and other disclosures under Rule 5 of the Companies (Appointment & Remuneration) Rules, 2014 are set out at 'Annexure H' forming a part of this Report.

F. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

The particulars of loans given and investments made during the financial year under Section 186 of the Act are given at Notes forming part of the Financial Statements. During the financial year, the Company has neither provided any securities nor provided corporate guarantees for loans availed by others.

G. PAYMENT OF REMUNERATION/COMMISSION TO MANAGING DIRECTOR FROM HOLDING OR SUBSIDIARY COMPANIES:

During the year under review, Mr. Tarak Patel, Managing Director received a remuneration of CHF 32,500 from Mavag AG, wholly owned subsidiary of the Company.

H. INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 123 and 125 of the Act read with the "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017" the amounts of dividends remaining unclaimed for a period of seven years and shares thereon are required to be transferred to the Investor Education and Protection Fund ("IEPF"); details of which are available on the Company's website at http://www.gmmpfaudler.com/investor-relations-unclaimed-dividend.php

During the year under review, the Company has transferred ₹ 2,96,283.40/- on account of unclaimed/unpaid dividend along with corresponding 5,176 equity shares of face value ₹ 2/- each to the IEPF.

Details of the Nodal Officer appointed under the said provisions are:

Ms. Mittal Mehta, Company Secretary & Compliance Officer,

Email: mittal.mehta@gmmpfaudler.com

22. SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company believes that all its employees have the right to be treated with dignity and is committed to providing a safe and conducive work environment.

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, the Company has not received any complaint.

23. GENERAL:

The Board of Directors confirm that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the FY21:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. Issue of shares (including sweat equity shares or Stock options) to employees of the Company;
3. non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014;
4. Material or serious instances of fraud falling within the purview of Section 143(12) of the Act and Rules made there under.

24. ACKNOWLEDGEMENT:

The Board of Directors of the Company acknowledge with gratitude, the support received from shareholders, bankers, customers, suppliers and business partners. The Directors recognize and appreciate the efforts of all employees that ensured accelerated growth in a challenging business environment.

For and on behalf of the Board of Directors

Dr. S. Sivaram	**Tarak Patel**
Chairman	Managing Director
DIN : 00009900	DIN : 00166183
Place: Pune	Place: Mumbai
Date: May 28, 2021	

Registered Office: Vithal Udyognagar
Anand – Sojitra Road,
Karamsad - 388 325, Gujarat.

Annexure 'A'

DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION

This Policy is called "GMM Pfaudler Limited – Dividend Distribution Policy" (hereinafter referred to as "this Policy") and shall be effective from May 23, 2020 ("Effective Date").

Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate and disclose a Dividend Distribution Policy.

GMM Pfaudler Limited being one of the top five hundred listed companies as per the market capitalization as on the last day of the immediately preceding financial year, frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. OBJECTIVE

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

3. PHILOSOPHY

The philosophy of the Company is to maximize the shareholders' wealth in the Company through various means. The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilize its profits for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for inorganic growth opportunities and thereafter distribute the surplus profits in the form of dividend to the shareholders.

4. DEFINITIONS

4.1 Unless repugnant to the context:

"Act" shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

"Applicable Laws" shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

"Company or GMM Pfaudler" shall mean GMM Pfaudler Limited.

"Board" or "Board of Directors" shall mean Board of Directors of the Company. "Dividend" shall mean Dividend as defined under Companies Act, 2013. "Policy or this Policy" shall mean the Dividend Distribution Policy.

"SEBI Listing Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

4.2 Interpretation

In this Policy, unless the contrary intention appears:

The clause headings are for ease of reference only and shall not be relevant to interpretation; 4.2.1.2 a reference to a clause number includes a reference to its sub-clauses.

Words in singular number include the plural and vice versa.

Words and expressions used and not defined in this Policy but defined in Companies Act, 2013 or rules made thereunder or Securities and Exchange Board of India Act, 1992 or regulations made thereunder or Depositories Act, 1996 shall have the meanings respectively assigned to them in those Acts, Rules and Regulations.

5. PARAMETERS FOR DECLARATION OF DIVIDEND

In line with the philosophy as stated above, the Board of Directors of the Company, shall consider the following parameters before declaring dividend(s) or recommending dividend(s) to the shareholders:

5.1 Internal Factors / Financial Parameters

1. Consolidated net operating profit after tax;
2. Fund requirements to finance the working capital needs of the business;
3. Opportunities for investments of the funds of the Company to capture future growth in the industry, e.g. capital expenditure, network expansion, etc.
4. Funding requirements for any organic and inorganic growth opportunities to be pursued by the Company;
5. Optimal free cash to fund any exigencies, if any;
6. Cost of borrowings vis-à-vis cost of capital/ Outstanding borrowings;
7. Past Dividend Trends;
8. Any other criteria as the Board may deem fit from time to time.

5.2 External Factors

1. Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;
2. Dividend pay-out ratios of companies in the same industry;
3. Emerging trends in financial market;
4. Industry growth rate;
5. Any other criteria as the Board may deem fit from time to time.

6. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The shareholders of the Company may not expect Dividend under the following circumstances:

6.1 Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;

6.2 Significantly higher working capital requirements adversely impacting free cash flow;

6.3 Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;

6.4 Whenever it proposes to utilize surplus cash for buy-back of securities; or

6.5 In the event of inadequacy of profits or whenever the Company has incurred losses.

7. UTILIZATION OF RETAINED EARNINGS

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution

8. PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

8.1 The Company has only one class of shares referred to as equity shares of the face value of ₹ 2 each, forming part of its Issued, Subscribed and Paid – up share capital.

8.2 Dividend (including interim and/or final) would be declared and paid to equity shareholders at the rate fixed by the Board of Directors of the Company. Final dividend proposed by the Board of Directors, if any, would be subject to the approval of the shareholders at the Annual General Meeting.

9. PROCEDURE

9.1 The Chief Financial Officer in consultation with the Managing Director of the Company shall recommend with a rationale of any amount to be declared/ recommended as Dividend to the Board of Directors of the Company.

9.2 Pursuant to the provisions of applicable laws and this Policy, interim Dividend, if any, approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders' approval, at the ensuing Annual General Meeting of the Company.

9.3 The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

10. AMENDMENTS TO THE POLICY

10.1 The Company is committed to continuously reviewing and updating our policies and procedures. Therefore, this policy is subject to modification. Any amendment(s) of any provision of this policy shall be carried out by persons authorized by the Board in this regard.

10.2 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For and on behalf of the Board of Directors

Dr. S. Sivaram
Chairman
DIN : 00009900

Place: Pune
Date: May 28, 2021

Tarak Patel
Managing Director
DIN : 00166183

Place: Mumbai

Annexure 'B'

PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

(Information in respect of subsidiary / Associate Companies / Joint Venture Companies)

As on financial year ended on March 31, 2021

Sr. No	Name of the subsidiary	Mavag AG	GMM Inter-national S.à.r.l.	Pfaudler GmbH[1]	Pfaudler Normag Systems GmbH	Pfaudler interseal GmbH	Pfaudler Service BeNeLux B.V.	Pfaudler S.r.l.	Pfaudler Limited	Pfaudler (Chang Zhou) Process Equip. Co. Ltd.[2]	Pfaudler S.A. de C.V.	Edlon Inc.	GMM Pfaudler US Inc.[3]	Pfaudler Ltda.	Pfaudler Private Limited
1	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	No	No	No	No	No	No	No	No	No	No	No	No	No	No
2	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	CHF	USD	EUR	EUR	EUR	EUR	EUR	EUR	CNY	MXN	USD	USD	BRL	SGD
		77.67	73.16	85.77	85.77	85.77	85.77	85.77	85.77	11.17	3.57	73.16	73.16	12.72	54.40
3	Share capital	388.36	40.06	865.71	2.14	6.69	1.56	635.13	1,561.89	583.15	56.48	391.10	-	100.57	8.16
4	Reserves and Surplus	515.62	3,598.27	-208.20	865.20	626.76	314.89	225.68	114.19	-50.38	90.70	863.82	1,839.25	720.69	-7.86
5	Total Assets	1,904.71	6,944.29	7,432.03	1,533.96	947.94	397.09	1,849.15	2,433.42	1,781.14	212.63	1,532.52	7,101.47	1,117.75	0.86
6	Total Liabilities	1,000.73	3,305.97	6,774.52	666.61	314.49	80.64	988.34	757.34	1,248.37	65.46	277.61	5,262.23	296.49	0.56
7	Investments	718.95	6,616.40	1,817.22	-	-	-	-	63.82	-	-	-	997.82	-	-
8	Turnover	1,379.72	-	622.82	208.99	129.32	41.80	304.36	234.55	107.84	13.62	118.88	993.73	142.49	-
9	Profit before taxation	121.21	-78.16	-67.32	-72.17	2.61	-5.40	-14.81	-20.08	-43.80	-4.97	-52.78	-149.39	7.44	0.09
10	Provision for taxation	19.85	-	62.42	14.49	16.04	2.08	1.25	-2.31	14.37	0.32	142.10	35.04	-1.15	-
11	Profit after taxation	101.36	-78.16	-4.90	-57.68	18.65	-3.32	-13.56	-22.38	-29.43	-4.65	89.32	-114.35	6.30	0.09
12	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	% of shareholding	100%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%

Note(s):
(1) Including subsidiary - Pfaudler France S.à r.l.
(2) Suzhou-Pfaudler Glass-Lined Equip. Co. Ltd. was merged with its wholly owned subsidiary Pfaudler (Chang Zhou) Process Equip. Co. Ltd. and renamed as Pfaudler (Chang Zhou) Process Equip. Co. Ltd.
3) Including subsidiary - Glasteel Parts and Services, Inc

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
DIN : 00009900
Place: Pune
Date: May 28, 2021

Tarak Patel
Managing Director
DIN : 00166183
Place: Mumbai

Annexure 'C'

ANNUAL REPORT ON CSR ACTIVITIES

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

(Pursuant to Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (Including any statutory modification(s) or re-enactment(s) for the time being in force))

1. Brief outline on CSR Policy of the Company.

   GMM Pfaudler Limited ('the Company') recognizes the impact it has among communities in which it operates and believes that it has a responsibility to improve and enrich the lives of these communities and play a part in their social & economic development and environmental sustainability. With its dedicated and focused approach, the Company has been contributing its time expertise and resources to help local communities. The Company is committed to focus its CSR activities in and around the areas in which it operates and would support activities in areas beyond on a case-to-case basis.

   As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth and has been and will continue to focus on issues relating to healthcare, education & skill development and environment sustainability.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Nakul Toshniwal	Non-Executive Independent Director - Chairman	3	3
2.	Ms. Bhawana Mishra	Non-Executive Independent Director - Member	3	3
3.	Mr. Ashok Patel	Non-Executive (Non-Independent) Director - Member	3	3
4.	Mr. Tarak Patel	Managing Director - Member	3	3

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

   The composition of the CSR Committee, CSR Policy and CSR projects is available on the Company's website at the following links:

   Composition of CSR Committee: http://www.gmmpfaudler.com/company-board.php

   CSR Policy: http://www.gmmpfaudler.com/content/CorporateSocialResponsibilityPolicy.pdf

   CSR projects: http://www.gmmpfaudler.com/csr.php

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable**

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
		NIL	

6. Average net profit of the company as per section 135(5): ₹ **604.34 million**

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ **12.09 million**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

   (c) Amount required to be set off for the financial year, if any: **Nil**

   (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ **12.09 million**

8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer
12.09 million	Nil	Not Applicable	None	Nil	Not Applicable

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

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/ No)	Location of project		Project Duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration number
						NIL						

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

Sr. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (amt in ₹)	Mode of implementation-Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State	District			Name	CSR registration number
1.	Project SPARSH aims at connecting the last person in villages to appropriate levels of healthcare through trained Village Health Workers (VHWs health centres by and a tertiary care centre for critical cases.	Promoting rural Healthcare including preventive healthcare	Yes	Gujarat	Anand	3,000,000	No	Charutar Arogya Mandal	CSR00002068

Contd.

Sr. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (amt in ₹)	Mode of imple-mentation-Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State	District			Name	CSR registration number
2.	Setting up COVID ward at Shri Krishna Hospital	Promoting rural Healthcare including preventive healthcare	Yes	Gujarat	Anand	3,000,000	No	Charutar Arogya Mandal	CSR00002068
3.	Purchase of Ambulance	Promoting rural Healthcare including preventive healthcare	Yes	Gujarat	Anand	1,250,000	No	Charutar Arogya Mandal	CSR00002068
4.	Upkeep and maintenance of Sanitation facilities, providing safe drinking water and other public facilities at Sardar Patel Memorial	Ensuring Environ-mental Sustain-ability	Yes	Gujarat	Anand	640,000	No	Sardar Patel Memorial Trust	In process
5.	Skill Development Program towards annual operating expenses for the FY21.	Promoting education and enhancing vocational skills:	Yes	Gujarat	Anand	1,200,000	No	J V Patel Industrial Training Institute	In process
6.	Purchase of equipment for electrical & fitter trades at JV Patel ITI required for re-affiliation of JVP ITI to run NCVT courses.	Promoting Education & enhancing vocational skills.	Yes	Gujarat	Anand	796,800	No	J V Patel Industrial Training Institute	In process
7.	Project "Re(ef) Generate" that aims to pilot the restoration and rehabilitation of corals in the in the Andaman Islands.	Ensuring environ-mental sustain-ability, ecological balance, protection of flora and fauna:	No	Andaman Islands	NA	1,000,000	No	ReefWatch Marine Conser-vation	CSR00004409
8.	Kundapur Women's Livelihood Development Project aimed at clean-up of costal ecosystem	Ensuring environ-mental sustain-ability, ecological balance, protection of flora and fauna	No	Karnataka	Udupi	600,000	No	ReefWatch Marine Conser-vation	CSR00004409
9.	Purchase of vehicle for wet waste management	Ensuring Environ-mental Sustain-ability	Yes	Gujarat	Anand	600,000	No	Sardar Patel Renewable Energy Research Institute (SPRERI)	CSR00006226
	Total					**12,086,800**			

(d) Amount spent in Administrative Overheads: **Nil**

(e) Amount spent on Impact Assessment, if applicable: **Not applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ **12.09 million**

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per Section 135(5)	12,086,800
(ii)	Total amount spent for the Financial Year	12,086,800
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

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

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **None**

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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

Nakul Toshniwal
Chairman of CSR Committee
DIN : 00350112

Tarak Patel
Managing Director
DIN : 00166183

Place: Mumbai
Date: May 28, 2021

Registered Office: Vithal Udyognagar
Anand – Sojitra Road,
Karamsad - 388 325, Gujarat

Annexure 'D'

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   During the financial year ended March 31, 2021, no contracts or arrangements or transactions were entered into by GMM Pfaudler Limited ("the Company") with related parties, which were not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

1	**Name(s) of the related party and nature of relationship**	GMM International S.à.r.l: Subsidiary
2	**Nature of contracts/arrangements/ transactions**	Acquisition of a majority stake (54%) in the entities forming part of the Pfaudler group from Pfaudler UK Limited, through GMM International S.a.r.l
3	**Duration of the contracts / Arrangements / Transactions**	The acquisition has been completed on February 16, 2021.
4	**Salient terms of the contracts or arrangements or transactions including the value, if any**	Upon receipt of relevant regulatory approvals, the Company acquired a majority stake (54%) in the entities forming part of the Pfaudler group (as set out in AOC-1 which forms part of Directors Report), through GMM International S.a.r.l., a special purpose vehicle incorporated under the laws of Luxembourg, directly as well as through its wholly owned subsidiary, Mavag AG for a total consideration of USD 27.432 million (EUR 23,019,216.20).
5	**Date(s) of approval by the Board, if any**	Approval of the Board - August 20, 2020 Approval of the Shareholders by way of resolution passed through Postal Ballot – December 23, 2020
6	**Amount paid as advances, if any**	-

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN : 00166183

Place: Mumbai
Date: May 28, 2021

Registered Office: Vithal Udyognagar
Anand – Sojitra Road,
Karamsad - 388 325, Gujarat

Annexure 'E'

NOMINATION, REMUNERATION AND EVALUATION POLICY

1. APPLICABILITY

This Nomination, Remuneration and Evaluation Policy (the "Policy") applies to the Board of Directors (the "Board") and the Key Managerial Personnel (the "KMP") of GMM Pfaudler Limited (the "Company").

This Policy is in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

2. PURPOSE

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors and Key Managerial Personnel. The Company aims to achieve a balance of merit, experience and skills amongst its Directors and Key Managerial Personnel.

3. ACCOUNTABILITIES

3.1. The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.

3.2. The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors and Key Managerial Personnel of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

4. APPOINTMENT OF DIRECTORS & KMPS

4.1. Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. While recommending a candidate for appointment, the Nomination and Remuneration Committee will assess:

- the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
- the extent to which the appointee is likely to contribute to the overall effectiveness of the Board,work constructively with the existing directors and enhance the efficiencies of the Company;
- the skills and experience that the appointee brings to the role of KMP;
- the nature of existing positions held by the appointee including Directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;

4.2. Personal specifications:

- Atleast a Degree holder in one or more relevant disciplines;
- Experience of management in a diverse organization;
- Excellent interpersonal, communication and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- Having continuous professional development to refresh knowledge and skills.

4.3. Letters of Appointment

Each Director / KMP is required to sign a letter of appointment, as acceptance of the offer, with the Company containing the terms of appointment and the role assigned in the Company.

5. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors and Key Management Personnel.

The Directors remuneration and Key Management Personnel's salary shall be based & determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nominations & Remuneration Committee determines individual remuneration packages for Directors and KMPs of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee consults with the Chairman of the Board as it deems appropriate.

5.1. Remuneration of the Managing Director and Executive Director is recommended by the Committee to the Board of the Company.

i. Remuneration:

a) Base Compensation (fixed salaries)

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

b) Variable salary:

The NRC may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics and statutory limits, if any.

ii. Statutory Requirements:

- Section 197(5) of the Companies Act, 2013 provides for remuneration by way of a sitting fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board;
- Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its Directors, including Managing director and Whole Time Director, and its Manager in respect of any financial year to not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act;
- The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V;
- The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to any one Managing Director/Whole Time Director/ Manager and ten percent in case of more than one such official;
- The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case;
- The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

5.2. The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of sitting fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.

5.3. The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.

5.4. The remuneration payable to the Key Managerial Personnel shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

6. EVALUATION/ ASSESSMENT OF DIRECTORS AND KMP'S OF THE COMPANY

The evaluation/assessment of the Directors and KMPs of the Company is to be conducted on an annual basis and to satisfy the requirements of the Listing Regulations.

The following criteria may assist in determining how effective the performances of the Directors and KMPs have been:

- Leadership & stewardship abilities
- contributing to clearly defined corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- obtain adequate, relevant & timely information from external sources.
- review & approve achievement of strategic and operational plans, objectives, budgets
- regular monitoring of corporate results against projections
- identify, monitor & mitigate significant corporate risks
- assess policies, structures & procedures
- direct, monitor & evaluate KMPs
- review management's succession plan
- effective meetings
- assuring appropriate board size, composition, independence, structure
- clearly defining roles & monitoring activities of committees
- review of corporation's ethical conduct

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

For and on behalf of the Board of Directors

Dr. S. Sivaram	**Tarak Patel**
Chairman	Managing Director
DIN : 00009900	DIN : 00166183
Place: Pune	Place: Mumbai
Date: May 28, 2021	

Annexure ‘F’

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2021

Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

To
The Members,
GMM PFAUDLER LIMITED
Vithal Udyognagar,
Anand – Sojitra Road,
Karamsad – 388325, Gujarat

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by GMM Pfaudler Limited (hereinafter called ‘the Company’). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

We have conducted online verification & examination of records, as facilitated by the Company, due to Covid-19 and subsequent lockdown situation for purpose of issuing this report and based on our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by GMM Pfaudler Limited (“the Company”) for the Financial Year ended on March 31, 2021, according to the provisions of:

    (i) The Companies Act, 2013 (the Act) and the rules made there under;

    (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;

    (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

    (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment. The Company did not avail facility with respect to External Commercial Borrowings under the financial year under report;

    (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-

    i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

    ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; and

    iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) were not applicable to the Company under the financial year under report:-

    i. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

ii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

iv. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

v. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and

vi. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

3. We further report that having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other laws were specifically applicable to the Company.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except:

- As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the audit committee shall have minimum three directors as members and Two-thirds of the members of audit committee shall be independent directors. Further, as per SEBI Guidance Note dated May 3, 2018 all fractions were required to be rounded off to the higher number.

  The composition of the Audit Committee of the Company for the period up to November 9, 2020, was comprised of five (5) Members of which three (3) were Independent Directors and two (2) were Non Independent Non-Executive Directors.

  Hence, during the above referred period the composition of Audit Committee was not strictly in compliance with the requirement of having 2/3rd of Audit Committee Members as Independent Directors due to rounding off provision under the guidance note. The Company has filed waiver applications in the matter which are pending with the Stock Exchanges.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one-woman director in compliance with the provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act

Except in case of meetings convened at a shorter notice, adequate Notice was given to all Directors to schedule the Board meetings and the agenda and detailed notes on agenda were sent atleast seven days in advance. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings, the decisions of the Board were taken unanimously.

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

We further report that following event(s)/action(s) had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to hereinabove:

- In February 2021, the Company completed the acquisition of a majority stake (54%) in the global business of the Pfaudler Group comprises of 10 entities from the private equity firm Deutsche Beteiligungs AG Fund VI ('DBAG') through a wholly owned subsidiary company incorporated under the laws of Luxembourg. To facilitate the said acquisition, the Company sought approval from shareholders for:

  (a) Giving loans/ making investments/ granting corporate guarantees by the Company in excess of the limits prescribed under Section 186(3) of the Companies Act, 2013;

  (b) creation of pledge by the Company in respect of its shareholding in GMM International S.à.r.l.;

  (c) borrowings by the Company in excess of the limits prescribed under Section 180(1)(c) of the Companies Act, 2013;

(d) creation of security in respect of an undertaking of the Company under Section 180 (1)(a) of the Companies Act, 2013;

Apart from the above, there were no other actions having a major bearing on the Company's affairs during the period under report.

For RATHI & ASSOCIATES
COMPANY SECRETARIES

Jayesh M. Shah
PARTNER
FCS No.5637
C.P. No. 2535
UDIN: F005637C000469529

Place: Mumbai
Date: May 28, 2021

Note: This report should be read with our letter of even date which is annexed as Annexure-I and forms an integral part of this report.

ANNEXURE – I

To
The Members
GMM PFAUDLER LIMITED
Vithal Udyognagar,
Anand – Sojitra Road,
Karamsad – 388325, Gujarat

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For RATHI & ASSOCIATES
Company Secretaries

Jayesh M. Shah
Partner
FCS No.5637
C.P. No. 2535

Place: Mumbai
Date: May 28, 2021

Annexure 'G'

DISCLOSURE PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014

A. Conservation of energy:

(a) Steps taken or impact on conservation of energy:

1. Installed two Natural Gas fuel furnaces, RTF5 and RTF6 which is alternate of 2500 KW Electrical furnace and thereby reduced electrical power consumption.
2. Installed two Rainwater Harvesting Wells having capacity of 40 KL & 65 KL to improve ground water level.
3. Reduced 100 KL water consumption/day by using Sewage Treatment Plant treated water for gardening.
4. Replaced Ready-mix 2 MVA Transformer by energy efficient (IS:1180, Level 2) with Auto Tap Changer and reduced 32,000 KWH/annum Power Loss over previous transformer (IS:2026).
5. Installed 5 invertor based welding machine and reduced 54,000 KWH/annum power consumption over rectifier base welding machine and six nos. of three-star AC for power saving.
6. Conducted Energy Audit project (for Elect & Compressed air) to identify areas for energy conservation.

(b) Steps taken by the Company for utilizing alternate source of energy:

1. Total Power of about 1,212,000 KWH was generated for the financial year ended March 31, 2021 from the 1MW Roof Top Solar Plant with grid connectivity installed by the Company.
2. The Company owns and maintains windmills with a total generating capacity of 1.8 MW. The windmills generated about 1,109,576 KWH for the year financial ended March 31, 2021.

(c) Strategic initiation to improve machine condition & availability:

1. Implemented Predictive maintenance (Condition based) for critical equipment parameters.
2. Implemented Preventive maintenance for secondary equipment like Welding roller, Positioner, Welding machine other than critical equipment.

(d) Modification/retrofitting of equipment to increase productivity & cost reduction:

1. Retrofitting work done to improve efficiency and minimize breakdown time of the following equipment:

   # CNC Plasma cutting machine, Alloy

   # Goliath crane of Pipe yard

   # Radial Drill Machine RD02

   # VTL machine main motor DC drive
2. Installed Air Dryers for compressed air to supply Dry air to reduce pneumatic tool Break Down & improve life of tool.

(e) Safety:

1. Awarded Bronze Medal for "Together for Sustainability (TFS)" from EcoVadis.
2. Participated for "Safety System Excellence Award", organized by FICCI.
3. Arranged below Safety related trainings for Workmen/Staff awareness

   # COVID-19 Awareness

   # Environment Management System

   # Basic Fire Fighting
4. Installed Smoke detector for R & D building office.
5. Installed VCB (Vacuum Circuit Braker) for OE plant, 2400 KW & 800 KW instead of very old & obsolete OCB (Oil Circuit Braker).

6. Installed Transformer safety mechanism/ relays like Over temperature (OT), Over Current (OC), Bucco's, Earth Fault (EF) for OE Plant, 2400 KW & 800 KW Transformer.
7. Replaced 10 Nos. roller new Electrical panel with VFD.
8. Replaced Asbestos roof by Bare galvalume metal sheet for Alloy area.
9. Actual load testing of all overhead crane 20T & below 20T done inhouse.
10. Implementation of 5S activity though out the company to improve housekeeping.

(f) Capital investment on energy conservation equipment: Nil

B. Technology absorption:

(i) The efforts made towards technology absorption: In house product development team works on product improvement, import substitution and new products.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Cost reduction, import substitution and new products.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

(a) The details of technology imported – Nil

(b) The year of import – N.A.

(c) Whether the technology been fully absorbed – N.A.

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof – N.A.

(iv) The expenditure incurred on Research & Development:

(₹ in million)

	Year ended 31.03.2021	Year ended 31.03.2020
Capital Expenditure	-	-
Recurring Expenditure	53.53	16.90
Total	53.53	16.90
Total R & D Expenditure as % of Total Turnover	1%	0.32%

C. Foreign exchange earnings and Outgo:

(₹ in million)

	Year ended 31.03.2021	Year ended 31.03.2020
Actual Foreign Exchange earnings	582.10	579.22
Actual Foreign Exchange outgo	131.90	357.30

For and on behalf of the Board of Directors

Dr. S. Sivaram	**Tarak Patel**
Chairman	Managing Director
DIN : 00009900	DIN : 00166183
Place: Pune	Place: Mumbai

Date: May 28, 2021

Registered Office: Vithal Udyognagar
Anand – Sojitra Road,
Karamsad - 388 325, Gujarat.

Annexure 'H'

DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Operating Officer, Company Secretary and ratio of the remuneration of each Director to the Median remuneration of the employees of the Company for the FY21:**

Name of Director	Percentage increase in remuneration	Ratio of remuneration of each Director / KMP to Median remuneration of employees
*Dr. S. Sivaram - Non-Executive & Independent Director - Chairman	N.A.	N.A.
* Mr. Nakul Toshniwal - Non-Executive & Independent Director	N.A.	N.A.
*Ms. Bhawna Mishra - Non-Executive & Independent Director	N.A.	N.A.
*Mr. Vivek Bhatia - Non-Executive & Independent Director	N.A.	N.A.
*Mr. Harsh Gupta - Non-Executive Director	N.A.	N.A.
#Mr. Thomas Kehl - Non-Executive Director	N.A.	N.A.
#Mr. Alexander Pömpner – Non-Executive Director@	N.A.	N.A.
# Mr. Dominic Deller - Non-Executive Director@	N.A.	N.A.
*Mr. Ashok Patel - Non-Executive Director	N.A.	N.A.
Mr. Tarak Patel – Managing Director	56%	112
Mr. Ashok Pillai - Chief Operating Officer	13%	22
Mr. Jugal Sahu - Cheif Financial Officer~	0%	13
Mr. Manish Poddar - Chief Financial Officer+	N.A.	N.A.
Ms. Mittal Mehta - Company Secretary & Compliance Officer	50%	6

**Entitled for sitting fees*
 # Sitting fee waiver given
~Resigned w.e.f. January 20, 2021
+Re-designated as Chief Financial Officer w.e.f. January 20, 2021

2. **The percentage increase in the median remuneration of employees in the financial year ended March 31, 2021: 6.51%**

   Median remuneration and average percentage increase in salary calculated on the basis of number of employees who were in the employment of the Company throughout the year for better comparison.

3. **The number of permanent employees on the rolls of the Company: 627**

4. **Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof:**

   Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 was 10.40%, whereas the increase in the managerial remuneration for the same financial year was 56%. Managerial personnel includes Managing Director.

   The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the

Company's progress over a period of time and also as per the market trend.

5. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

   Remuneration paid to Directors, Key Managerial Personnel and other employees is as per the remuneration policy of the Company.

   Further, in terms of the provisions of sub-rules (2) and (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other details of the employees drawing remuneration in excess of the limits set out in these Rules forms part of the Annual Report. In terms of Section 136 of the Companies Act, 2013, this report is being sent to the Members and others entitled thereto, excluding the aforesaid information. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company.

For and on behalf of the Board of Directors

Dr. S. Sivaram	**Tarak Patel**
Chairman	Managing Director
DIN : 00009900	DIN : 00166183
Place: Pune	Place: Mumbai
Date: May 28, 2021	

Note: While determining the median and the average increase we have taken the following assumptions:

- We excluded the employees who have joined in the FY21;
- We have excluded the employees who have ceased to be employees in the FY21; and
- Salary of all personnel have been considered with estimated bonus amount instead of actual bonus amounts (except for Mr. Tarak Patel)

REPORT ON CORPORATE GOVERNANCE

A report for the financial year ended March 31, 2021 on the compliance by the Company the Corporate Governance requirements under Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is furnished below:

1. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE:

Corporate Governance primarily involves transparency, full disclosure, independent monitoring of the state of affairs and being fair to all stakeholders and is a combination of voluntary practices and compliance with laws and regulations.

The Company endeavors not only to meet the statutory requirements in this regard but also to go well beyond them by instituting such systems and procedures as are in accordance with the latest global trends of making management completely transparent and institutionally sound.

The Company has professionals on its Board of the Directors who are actively involved in the deliberations of the Board on all important policy matters. Your Directors view good Corporate Governance as the foundation for honesty and integrity and recognize these matters to maintain your trust.

It has been, and continues to be, the policy of your Company to comply with all laws governing its operations, to adhere to the highest standard of business ethics and to maintain a reputation for honest and fair dealings. Your Board of Directors recognizes its responsibility to oversee and monitor management and the Company's activities to reasonably assure that these objectives are achieved.

It is paramount that the Company's reputation for integrity and credibility remain at the highest standards for the benefits of all stakeholders, employees, customers and suppliers.

2. APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES:

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company.

The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The Board's actions and decisions are aligned with the Company's best interest. It is committed to the goal of sustainably elevating the Company's value created. The Board has established several Committees to discharge its responsibilities in an effective manner.

The Chairman of the Board is the leader of the Board. The Chairman is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. The Chairman guides the Board for effective governance structure in the Company.

The Managing Director provides overall direction for effective management of the Company. The Managing Director is responsible for corporate strategy, brand equity, planning, external contacts and all important management matters. In the operations and functioning of the Company, the Managing Director is assisted by a core group of senior level executives.

The Company Secretary assists the Chairman and Managing Director in management of the Board's administrative activities such as meetings, schedules, agendas, communication and documentation.

3. ETHICS / GOVERNANCE POLICIES:

At GMM Pfaudler, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Anti-Corruption Policy
- Anti-Sexual Harassment Policy
- Antitrust Guidelines
- Board Diversity Policy
- Code of Conduct & Ethics Policy
- Code of Conduct for Prevention of Insider Trading
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Corporate Social Responsibility Policy
- Communications Policy
- Dividend Distribution Policy
- Export Compliance Guidelines
- Familiarization Policy
- Nomination, Remuneration & Evaluation Policy
- Policy for Determining Material Subsidiaries
- Policy on Determination of Material Events
- Policy for Preservation of Documents and Archival of Documents
- Policy on Related Party Transactions
- Policy and Procedure for enquiry in case of Leak/ Suspected leak of Unpublished Price Sensitive Information
- Risk Management Policy
- Suppliers' Code of Conduct
- Whistle Blower Policy

The codes and policies that are required to be disclosed as per the Listing Regulations are available on the website of the Company at https://gmmpfaudler.com/investor-relations-policies-programmes.php

4. SCHEDULING OF BOARD AND COMMITTEE MEETINGS:

Minimum four pre-scheduled Board meetings are held annually. Additionally, Board meetings are convened to address the Company's specific needs. In case of business exigencies or urgency, resolutions are passed by circulation. The maximum gap between any two consecutive meetings was less than 120 (one hundred and twenty) days, as stipulated under Section 173(1) of the Act and Regulation 17(2) of the SEBI Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India. Also, the necessary quorum was present for all the meetings. The Managing Director and the Company Secretary, in consultation with other concerned members of the senior management, finalize the agenda for Board/ Committee meetings.

The agenda along with explanatory notes are circulated to Directors in advance. All Board and Committee meetings' agenda papers are disseminated electronically on a real-time basis, by uploading them on a secured online application specifically designed for this purpose, thereby eliminating circulation of printed papers.

5. RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS:

The Company Secretary records minutes of proceedings of each of the Board and Committee meetings. Draft minutes are circulated to Board / Committee members for their comments as prescribed under Secretarial Standard-1 issued by the Institute of Company Secretaries of India. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

6. POST MEETING FOLLOW-UP MECHANISM:

The guidelines for Board / Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof.

Important decisions taken at Board / Committee meetings are communicated promptly to the concerned departments. Minutes of the previous meeting(s) is placed at the succeeding meeting of the Board / Committees for noting.

7. COMPLIANCE:

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 2013 ("the Act") read with rules issued thereunder, Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India.

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings.

8. BOARD OF DIRECTORS:

a) **Composition of the Board:** The Board has an optimum combination of Executive, Non-Executive and Independent Directors, including an Independent Woman Director in conformity with the composition requirements as per Regulation 17(1) of the Listing Regulations and other applicable regulatory requirements. The Board comprises of 9 (Nine) Directors, of which 1 (One) is Executive and 8 (Eight) are Non-Executive, of which 4 (Four) are Independent Directors. The Chairman of the Company is an Independent Director. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The Company also has a succession plan in place for the Board, Key Managerial Personnel and Senior Management of the Company.

b) **Number and dates of Board meetings held during the FY21:** 7 (Seven) Board Meetings were held during the year ended on March 31, 2021 on May 23, 2020, June 30, 2020; July 29, 2020; August 20, 2020; October 21, 2020; January 20, 2021 and March 10, 2021.

c) **Details of composition of the Board of Directors, attendance at the Board meetings, Annual General Meeting shareholding, other Directorship and Committee positions held in other Companies of each Director as on date**:

Name of Director	Category of Directorship	Attendance at		Number of Equity shares held in the Company$	Number of Directorships in other Companies**	Number of Committee positions held in other Companies%
		Board Meetings	Last Annual General Meeting			
Dr. S. Sivaram (Chairman)	Non-Executive, Independent Director	7	No	Nil	6	Nil
Mr. Nakul Toshniwal	Non-Executive, Independent Director	7	Yes	Nil	Nil	Nil
Mr. Ashok Patel*	Non-Executive Director	7	Yes	283,980@	2	Nil
Mr. Tarak Patel *	Executive Director (Managing Director)	7	Yes	173,960	2	1
Mr. Malte Woweries#+	Non-Executive Director	N.A.	N.A.	Nil	Nil	Nil
Mr. Thomas Kehl #-	Non-Executive Director	7	Yes	Nil	Nil	Nil
Mr. Alexander Pömpner#^	Non-Executive Director	5	Yes	Nil	Nil	Nil
Ms. Bhawana Mishra~	Non-Executive, Independent Director	7	Yes	Nil	Nil	Nil
Mr. Vivek Bhatia~	Non-Executive, Independent Director	7	Yes	Nil	Nil	Nil
Mr. Harsh Gupta~#	Non-Executive Director	7	Yes	Nil	1	Nil
Dr. Dominic Deller#&	Non-Executive Director	1	N.A.	Nil	Nil	Nil

 # Representing Foreign Promoters viz. Pfaudler Inc.

** Indian Promoters*

$ The Company has not issued any convertible debentures
@ Includes 277,235 equity shares held as Karta of Ashok Patel HUF
~ Appointed w.e.f. April 1, 2020
& Resigned w.e.f. June 30, 2020
+ Appointed w.e.f. May 28, 2021
-Resigned w.e.f. May 28, 2021
^ Appointed w.e.f. July 2, 2020 and resigned w.e.f. May 28, 2021
*** Includes directorships in public companies. Does not include directorships held in private companies, foreign companies and companies registered under Section 8 of the Act.*
% Includes Memberships in Audit Committees and Stakeholders Relationship Committees only in accordance with Regulation 26(1) of the Listing Regulations.

d) **Chart setting out the type of directorships held in other public listed companies**

Name of Director	Directorships in other Companies	Type of Directorships
Dr. S. Sivaram	• Apcotex Industries Ltd. • Asian Paints Ltd. • Deepak Nitrite Ltd. • Supreme Petrochem Ltd.	Independent Director
Mr. Nakul Toshniwal	Nil	Not Applicable
Mr. Ashok Patel	Skyline Millars Ltd.	Non-Executive Director
Mr. Tarak Patel*	Skyline Millars Ltd.	Non-Executive Director
Mr. Malte Woweries+	Nil	Not Applicable
Mr. Thomas Kehl -	Nil	Not Applicable
Mr. Alexander Pömpner ^	Nil	Not Applicable
Ms. Bhawana Mishra~	Nil	Not Applicable
Mr. Vivek Bhatia~	Nil	Not Applicable
Mr. Harsh Gupta~	Solaris Chemtech Industries. Ltd.	Executive Director

~Appointed w.e.f. April 1, 2020
+ Appointed w.e.f. May 28, 2021
-Resigned w.e.f. May 28, 2021
^ Appointed w.e.f. July 2, 2020 and resigned w.e.f. May 28, 2021

Pursuant to the provisions of Section 165(1) the Act and 17A of the Listing Regulations, none of the Directors:

- hold Directorships in more than 20 companies (Public or Private),
- hold Directorships in more than 10 public companies,
- hold Membership of Board Committees (Audit & Stakeholders Relationship Committees) in excess of 10 and Chairpersonship of Board Committee in excess of 5,
- serve as Director in more than 7 listed companies,
- who serve as Managing Director/Whole Time Director in any listed company serves as Independent Director in more than 3 listed companies.

e) **Disclosure of relationships between directors inter-se:** Mr. Ashok Patel, Director is the father of Mr. Tarak Patel, Managing Director of the Company. None of the other Directors are related to each other.

f) **Resignation of Independent Director from the Board of the Company:**

During the year under review, there was no resignation of any Independent Director.

g) **Matrix setting out the core skills/expertise/competence of the Board of directors:**

The Board skill matrix provides a guide as to the core skills, expertise, competencies and other criteria (collectively referred to as 'skill sets') considered appropriate by the Board of the Company in the context of its business and sector(s) for it to function effectively and those actually available with the Board. The skill sets will keep on changing as the organization evolves and hence the Board may review the matrix from time to time to ensure that the composition of the skill sets remains aligned to the Company's strategic direction. The skill sets identified by the Board along with directors who have such skills / expertise / competence is as under:

Name of Director	Area of expertise
Mr. Tarak Patel	International Business, Finance, Strategy, Marketing and General Management and Administration
Dr. S. Sivaram	Polymer Science and Technology, Technology Strategy, Corporate Governance and General Management
Mr. Ashok Patel	International Business, Finance, Strategy, Technology and General Management
Mr. Nakul Toshniwal	Public Policies, Technology and General Management
Ms. Bhawana Mishra~	Talent and leadership development, strategic change and organizational transformation specialist
Mr. Vivek Bhatia~	Finance, business strategy and extensive business experience across mining, metals & mineral processing, cement, power and engineered capital goods
Mr. Harsh Gupta~	P & L management, sales & marketing, mergers & acquisitions, and corporate planning & strategy
Mr. Malte Woweries +	Finance, Mergers & Acquisitions, Strategy and Financial Planning, Investor Communication
Mr. Thomas Kehl -	International Business, Technology, Strategy, Marketing and General Management
Mr. Alexander Pömpner^	Finance, Strategy, Mergers & Acquisitions

~ Appointed w.e.f. April 1, 2020

+ Appointed w.e.f. May 28, 2021

-Resigned w.e.f. May 28, 2021

^ Appointed w.e.f. July 2, 2020 and resigned w.e.f. May 28, 2021

9. COMMITTEES:

Details of the Committees and other related information are provided hereunder:

Composition of Committees of the Company as on date:

AUDIT COMMITTEE:

Sr. No.	Name of Director	Category of Directorship	Position in Committee
1.	Dr. S. Sivaram	Non-Executive - Independent Director	Chairman
2.	Mr. Nakul Toshniwal	Non-Executive - Independent Director	Member
3.	Mr. Vivek Bhatia~	Non-Executive - Independent Director	Member
4.	Mr. Malte Woweries+	Non-Executive Director	Member
5.	Ms. Bhawana Mishra*	Non-Executive - Independent Director	Member
6.	Mr. Harsh Gupta#	Non-Executive Director	Member
7.	Mr. Alexander Pömpner^	Non-Executive Director	Member
8.	Dr. Dominic Deller-	Non-Executive Director	Member

~Inducted as Member w.e.f. April 1, 2020

+ Inducted as Member w.e.f. May 28, 2021

** Member of the Committee w.e.f. November 10, 2020 up to May 28, 2021*

 # Member of the Committee w.e.f. April 1, 2020 up to May 28, 2021

^ Inducted as Member w.e.f. July 2, 2020 and resigned as Director w.e.f. May 28, 2021

- Resigned as Director w.e.f. June 30, 2020

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Sr. No.	Name of Director	Category of Directorship	Position in Committee
1.	Dr. S. Sivaram	Non-Executive - Independent Director	Chairman
2.	Mr. Tarak Patel	Executive Director	Member
3.	Mr. Harsh Gupta+	Non-Executive Director	Member
4.	Mr. Alexander Pömpner^	Non-Executive Director	Member
5.	Dr. Dominic Deller-	Non-Executive Director	Member

+ Inducted as Member w.e.f. May 28, 2021

^ Inducted as Member w.e.f. July 29, 2020 and resigned as director w.e.f. May 28, 2021

-Resigned as Director w.e.f. June 30, 2020

NOMINATION & REMUNERATION COMMITTEE:

Sr. No.	Name of Director	Category of Directorship	Position in Committee
1.	Mr. Nakul Toshniwal	Non-Executive - Independent Director	Chairman
2.	Dr. S. Sivaram	Non-Executive - Independent Director	Member
3.	Ms. Bhawana Mishra~	Non-Executive - Independent Director	Member
4.	Mr. Ashok Patel	Non-Executive Director	Member
6.	Mr. Thomas Kehl-	Non-Executive Director	Member

~ Inducted as Member w.e.f. April 1, 2020

- Resigned as Director w.e.f. May 28, 2021

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Sr. No.	Name of Director	Category of Directorship	Position in Committee
1.	Mr. Nakul Toshniwal@	Non-Executive - Independent Director	Chairman
2.	Ms. Bhawana Mishra+	Non-Executive - Independent Director	Member
3.	Mr. Tarak Patel	Executive Director	Member
4.	Mr. Ashok Patel	Non-Executive Director	Member

+ Inducted as member w.e.f. April 1, 2020 and appointed as Chairperson on May 28, 2021

@Chairman up to May 28, 2021 and continuing as a member there after

RISK MANAGEMENT COMMITTEE:

Sr. No.	Name of Director	Category of Directorship	Position in Committee
1.	Mr. Vivek Bhatia~	Non-Executive - Independent Director	Chairman
2.	Dr. S. Sivaram+	Non-Executive – Independent Director	Member
3.	Mr. Harsh Gupta+	Non-Executive Director	Member
4.	Mr. Tarak Patel	Executive Director	Member
5.	Mr. Malte Woweries+	Non-Executive Director	Member
6.	Mr. Ashok Patel$	Non-Executive Director	Member
7.	Mr. Ashok Pillai$	Chief Operating Officer	Member
8.	Mr. Manish Poddar ++	Chief Financial Officer	Member
9.	Mr. Alexander Pömpner *	Non-Executive Director	Member
10.	Dr. Dominic Deller -	Non-Executive Director	Chairman
11.	Mr. Jugal Sahu%	Chief Financial Officer	Member

~Inducted as member w.e.f. April 1, 2020

+Inducted as member w.e.f. May 28, 2021

++ Member of the Committee w.e.f. March 10, 2021 in place of Mr. Jugal Sahu up to May 28, 2021

$Member up to May 28, 2021

- Resigned w.e.f. June 30, 2020

**Inducted as member w.e.f. July 2, 2020 & resigned w.e.f. May 28, 2021*

% Resigned w.e.f. January 20, 2021

Ms. Mittal Mehta, Company Secretary & Compliance Officer is the Secretary of all the Committees.

10. MEETINGS OF COMMITTEES HELD DURING THE YEAR AND DIRECTORS' ATTENDANCE:

Committees of the Company	Audit Committee	Stakeholders Relationship Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee	Risk Management Committee
Meetings held	**7**	**2**	**3**	**3**	**1**
Director's attendance					
Dr. S. Sivaram	7	2	3	N.A.	N.A.
Mr. Nakul Toshniwal	7	N.A.	3	3	N.A.
Mr. Tarak Patel	N.A.	2	N.A.	3	-
Mr. Ashok Patel	N.A.	N.A.	3	3	1
Mr. Thomas Kehl	N.A.	N.A.	3	N.A.	N.A.
Mr. Alexander Pömpner	5+	Nil@	N.A.	N.A.	1
Ms. Bhawana Mishra	2*	N.A.	3	3	N.A.
Mr. Vivek Bhatia	7	N.A.	N.A.	N.A.	1
Mr. Harsh Gupta	7	N.A.	N.A.	N.A.	N.A.
Dr. Dominic Deller	1-	1	N.A.	N.A.	N.A.

+Inducted as member w.e.f. July 2, 2020

**Inducted w.e.f. November 10, 2020*

- Resigned w.e.f. June 30, 2020

@Inducted as member w.e.f. July 29, 2020

N.A. - Not a member of the Committee

11. PROCEDURE AT COMMITTEE MEETINGS:

The Company's guidelines relating to Board meetings are applicable to Committee meetings. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the respective committee members and subsequently placed before Board meetings for noting.

12. TERMS OF REFERENCE AND OTHER DETAILS OF COMMITTEES:

A. Audit Committee:

The Committee's composition, terms of reference as well as powers are in conformity with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations. Members of the Audit Committee possess the requisite qualifications and expertise.

The composition of the Committee is given in Point No. 9 of this Report. During the year under review, Mr. Vivek Bhatia, Non-Executive Independent Director and Mr. Harsh Gupta Non-Executive Director were inducted as members of Committee with effect from April 01, 2020 respectively. Dr. Dominic Deller ceased to be a member of the Audit Committee due to resignation w.e.f. June 30, 2020. Mr. Alexander Pömpner, Non-Executive Director was inducted as member of the Committee effective July 2, 2020. Ms. Bhawana Mishra, Non-Executive Independent Director was inducted as member of the Committee effective November 10, 2020.

Compliance Officer:

Ms. Mittal Mehta, Company Secretary is the Compliance Officer for complying with the requirements of Listing Regulations.

Meeting details:

The Audit Committee met 7 (Seven) times during the year under review viz. May 23, 2020, June 30, 2020; July 29, 2020; August 20, 2020; October 21, 2020; January 20, 2021 and March 10, 2021. The quorum requirements were met for each meeting. The minutes of the Audit Committee Meetings were taken on record at the Board Meetings. Further, representatives of the Statutory Auditors are invited to attend meetings of the Committee. The Committee also invites the Managing Director, Chief Financial Officer and Internal Auditors as and when their presence at the meeting of the Committee is considered appropriate. In addition, other senior management personnel are also invited to the Committee meeting(s) from time to time, for providing such information as may be necessary.

Scope:

The Powers and Role of the Audit Committee is as follows:

A. Powers & Role of Audit Committee:

Powers of the Audit Committee:

a) To investigate any activity within its terms of reference or such matter as may be referred to it by the Board and for this purpose obtain professional advice from external sources and have full access to information contained in the records of the Company;

b) To seek information from any employee;

c) To obtain outside legal or other professional advice; and

d) To secure attendance of outsiders with relevant expertise, if it considers necessary;

Role of the Audit Committee:

1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Company's financial statement is correct, sufficient and credible;

2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4) Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:

   a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of section 134(3)(c) of the Companies Act, 2013;

   b) changes, if any, in accounting policies and practices and reasons for the same;

   c) major accounting entries involving estimates based on the exercise of judgment by management;

   d) significant adjustments made in the financial statements arising out of audit findings;

   e) compliance with listing and other legal requirements relating to the financial statements;

   f) disclosure of any related party transactions; and

   g) modified opinion(s) in the draft audit report;

5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;

8) Approval or any subsequent modification of transactions of the Company with related parties in accordance with the Company's policy on related party transactions;

9) Scrutiny of inter-corporate loans and investments;

10) Valuation of undertakings or assets of the Company, wherever it is necessary, in consultation with external professional advisors, as deemed fit by the Audit Committee;

11) Evaluation of internal financial controls and risk management systems of the Company;

12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems of the Company;

13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14) Discussion with internal auditors of any significant findings and follow up thereon.

15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16) Discussion with statutory auditors before the commencement of audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18) To review the functioning of the whistle blower mechanism and the vigil mechanism instituted by the Company. The vigil mechanism to provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the chairperson of the Audit Committee or the director nominated to play the role of Audit Committee, as the case may be, in exceptional cases;

19) To approve the appointment of the chief financial officer of the Company (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20) To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of the financial statement before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the Company.

21) To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor;

22) To review the following information as prescribed under Regulation 18(3) of the Listing regulations:

    a) Management discussion and analysis of financial condition and results of operations;

    b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

    c) Management letter/ letters of internal control weaknesses issued by the statutory auditors;

    d) Internal audit reports relating to internal control weaknesses; and

e) The Appointment, removal and terms of remuneration of the chief internal auditor.

f) Statement of Deviations:

(i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(ii) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

23) To approve all the Related Party Transactions to be entered into by the Company and grant omnibus approval for the Related Party Transactions proposed to be entered into by the company subject to the following conditions:

a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.

b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

c) Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price/current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transactions cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 1 crore per transaction.

d) Audit Committee shall review, at least on a quarterly basis, the details of RPT's entered into by the Company pursuant to which the omnibus approval was given.

e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

24) To review financial statements of, and investments made by, unlisted subsidiaries of the Company in accordance with Regulation 24(2) of the Listing Regulations;

25) To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

26) To carry out any other functions as may be specified by the Board from time to time.

B. Stakeholders Relationship Committee:

The Composition, Role, Terms of Reference as well as Powers of the Stakeholders Relationship Committee of the Company meet the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations.

The composition of the Committee is given in Point No. 9 of this Report. During the year under review, Dr. Dominic Deller resigned as a member of the Stakeholders Relationship Committee on June 30, 2020 and Mr. Alexander Pömpner, Non-Executive Director was inducted as a member effective July 29, 2020.

The Stakeholders Relationship Committee is primarily responsible to review all matters connected with the Company's transfer / transmission and other matters related to listed securities and redressal of shareholders'/ investors' complaints.

Compliance Officer:

Ms. Mittal Mehta, Company Secretary is the Compliance Officer for complying with the requirements of Listing Regulations.

Meeting Details:

The Stakeholders Relationship Committee met two times during the year under review i.e. May 23, 2020 and October 21, 2020. The minutes of the Stakeholders Relationship Committee Meetings were noted at the Board Meetings.

Summary of Grievances:

A summary of complaints received and resolved by the Company to the satisfaction of the shareholders/ investors during the year 2020-21, is given below:

Particulars	Number
Pending at the beginning of the year under review	-
Received during the year under review	8
Resolved during the year under review	8
Pending at the end of the year under review	-

Role of Stakeholders Relationship Committee:

1) To consider and resolve the grievances of security holders, including complaints related to transfer, transmission and transposition of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate share certificates, etc. in a time bound manner;
2) Review of measures taken for effective exercise of voting rights by shareholders.
3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company.
5) To delegate the power of share transfers to an officer of the Company or to the registrar and share transfer agents of the Company, such that the delegated authority shall attend to share transfer formalities at least once in a fortnight and submit details of the same at the earliest to the Stakeholders Relationship Committee, with the objective of expediting the process of share transfers;
6) To ensure quick redressal of the complaints of all shareholders;
7) To maintain cordial relations with the shareholders and other security holders;
8) To address such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Stakeholders Relationship Committee;
9) To monitor at the end of every quarter, the number of grievances received, pending or not solved to the satisfaction of shareholders; and
10) To carry out any other functions as may be specified by the Board from time to time.

C. Nomination and Remuneration Committee:

The Composition, Role, Terms of Reference as well as Powers of the Nomination and Remuneration Committee of the Company meets the requirements of

Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

The composition of the Committee is given in Point No. 9 of this Report. Ms. Bhawana Mishra, Non-executive Independent Director was inducted as the member of Committee with effect from April 1, 2020. The quorum requirements were met for each meeting. There were no other changes in the composition of the Nomination & Remuneration Committee during the year under review.

Meeting Details:

The Nomination and Remuneration Committee met three times during the year under review i.e. May 23, 2020, October 21, 2020 and January 20, 2021. The minutes of the Nomination and Remuneration Committee Meetings were noted at the Board Meetings.

Compliance Officer:

Ms. Mittal Mehta, Company Secretary is the Compliance Officer for complying with the requirements of Listing Regulations.

Role of Nomination and Remuneration Committee:

1) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration for the directors, key managerial personnel and other employees of the Company. The said policy will be disclosed in the Board's report. The Nomination and Remuneration Committee shall, while formulating the aforesaid policy, to ensure that:
   a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
   b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   c) remuneration to executive directors, key managerial personnel and senior management of the Company involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
2) To consider the following while approving the remuneration payable to a manager, managing director or a whole time director under Section II or Section III of Part II of Schedule V to the 2013 Act and section 197 of the 2013 Act:
   a) take into account, financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.;
   b) to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.
3) To formulate the evaluation criteria for performance evaluation of independent directors and the Board;
4) To devise a policy on Board diversity;
5) To identify suitable candidates for directorship including Independent directors and senior management of the Company in accordance with the criteria laid down, recommend to the Board their appointment and removal;
6) To ensure that on appointment to the Board, independent directors receive a formal letter of appointment setting out clearly what is expected from them in terms of time-committee, committee service and involvement outside meetings of the Board;
7) To determine whether to extend or continue the term of appointment of the Independent Directors on the

basis of the report of performance evaluation of the Independent Directors;

8) To recommend to the Board, the plans for orderly succession for appointments to the Board and to senior management of the Company;

9) To consider any other matters as may be requested by the Board.

Performance evaluation criteria for independent directors:

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board, by way of individual and collective feedback from Directors.

Major Evaluation Criterias, amongst other criterias, applied are:

(a) For Independent & Non – Executive Directors:

i. Knowledge and Skills

ii. Professional conduct

iii. Duties, roles and functions

(b) For Executive Directors

i. Performance as Team Leader/ Member;

ii. Evaluating Business Opportunity and analysis of Risk Reward Scenarios;

iii. Key set Goals/ KRA and achievements;

iv. Professional Conduct, Integrity;

v. Sharing of Information with the Board.

The Directors were satisfied with the evaluation process undertaken during the year. Further, in the opinion of the Board, all the Independent Directors possess utmost integrity, professional expertise and requisite experience including proficiency.

Remuneration of Managing Director:

Remuneration of the Managing Director is recommended by the Nomination and Remuneration Committee, fixed by the Board and approved by the shareholders. The remuneration paid to Mr. Tarak Patel for the year ended March 31, 2021 was as under:

(₹ in million)

Sr. No.	Particulars	Amount
1.	Gross Salary	20.72
2.	Perquisites	0.06
3.	Commission	44.28
4.	Retirement Benefits	1.08
	Total	**66.14**

Additional remuneration of ₹ 6.08 million is proposed to be paid to the Managing Director for the FY21 subject to the approval of shareholders at the ensuing Annual General Meeting (for additional details kindly refer to explanatory note to item no. 8 of the Notice of AGM)

Payment of Commission to the Managing Director is based on the performance criteria defined by the Committee and approved by the Board.

Non-Executive Director's Compensation:

The Company does not pay remuneration to any of the Non-Executive Directors of the Company except for the sitting fees for attending Meetings of the Board and/or Committees thereof which has been disclosed below. Apart from the said payment, there are no pecuniary relationships or transactions of the Non-Executive Directors with the Company.

Details of Sitting fees paid to Directors for the year ended March 31, 2021 are as follows:

(₹ in million)

Sr. No.	Director	Sitting Fees
1	Dr. S. Sivaram	1.35
2	Mr. Nakul Toshniwal	1.40
3	Mr. Ashok Patel	1.05
4	Ms. Bhawana Mishra	1.15
5	Mr. Vivek Bhatia	1.15
6	Mr. Harsh Gupta	1.05

Non-Executive Directors on the Board of the Company were paid sitting fees for the FY21 as under:

a) ₹ 100,000 as sitting fees for each meeting of the Board of Directors

b) ₹ 50,000 as sitting fees for each meeting of the Audit Committee & the Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee of Directors

Non-Executive Directors are not paid any other remuneration/ fees apart from sitting fees paid during the year under review. The Company does not have any stock option scheme provided to Directors of the Company.

D. Corporate Social Responsibility Committee:

The Board in compliance with the requirements of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 constituted a Corporate Social Responsibility Committee (CSR Committee). The Composition, Role, Terms of Reference as well as Powers of the CSR Committee are in compliance with the provisions of the Companies Act, 2013.

The composition of Committee is given in Point No. 9 of this Report. Ms. Bhawana Mishra Non-executive Independent Director was inducted as the member of Committee with effect from April 1, 2020. There were no other changes in the composition of the CSR Committee during the year under review.

Meeting Details:

The CSR Committee met on three occasions viz. May 23, 2020, October 21, 2020 and January 20, 2021. The minutes of the CSR Committee Meetings were noted at the Board Meeting.

Role of Corporate Responsibility Committee:

1) To formulate and recommend to the Board, the Corporate Social Responsibility Policy of the Company ("CSR Policy") which shall include inter alia, CSR activities (defined hereunder) to be undertaken by the Company, and the modalities of execution monitoring and implementation schedules of the same. The policy to specify that the surplus arising out of the CSR Activities (defined hereinafter) shall not form part of the business profit of the Company;

2) To identify the CSR projects/ activities/programs to be undertaken by the Company ("CSR Activities"), in alignment with the CSR Policy, Schedule VII of the 2013 Act and the CSR Rules, as amended from time to time;

3) To recommend the amount of expenditure to be incurred by the Company on the CSR Activities for each financial year;

4) To institute a transparent monitoring mechanism for monitoring progress/ status of implementation of CSR Activities;

5) To receive reports and review activities from executive and specialist groups managing CSR Activities;

6) To monitor the CSR Policy from time to time and revise the same, wherever necessary;

7) To issue a responsibility statement confirming that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company;

8) To prepare an annual report on CSR Activities to be included in the Board of Director's Report in the form provided in the Annexure to the Companies (Corporate Social Responsibility Policy) Rules, 2014. The same shall be disclosed on the website of the Company;

9) To report the CSR activities undertaken by the Company in the manner prescribed under Segment C

of the Form AOC-3 of the Companies (Accounts) Rules, 2014; and

10) To carry out such other functions, as may be prescribed under the 2013 Act or CSR Rules or as may be delegated by the Board from time to time.

E. Risk Management Committee:

The Board in compliance of Regulation 21 of the Listing Regulations, constituted a Risk Management Committee (RMC). The Composition, Role, Terms of Reference as well as Powers of the Risk Management Committee are in compliance with the provisions of the SEBI Listing Regulations.

The composition of Committee is given in Point No. 9 of this Report. There were no changes in the composition of the Risk Management Committee during the year under review.

Meeting Details:

The Risk Management Committee met once on March 30, 2021. The minutes of the RMC meeting were noted at the Board Meeting.

Role of Risk Management Committee:

1) To formulate a detailed risk management policy which shall include:

   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.

   (c) Business continuity plan.

2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

7) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

8) To perform other activities related to the risk management policy as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.

13. INDEPENDENT DIRECTORS MEETING:

In terms of requirements of the Act, Rules framed there under and Regulation 25(3) of the Listing Regulations, a separate meeting of Independent Directors was held on May 23, 2020 to discuss:

a) Evaluation of the performance of non-independent directors and the Board of Directors as a whole;

b) Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Chairman.

c) Evaluation of the quality, content and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

14. INDUCTION AND FAMILIARIZATION PROGRAM FOR DIRECTORS:

On appointment, the concerned Director is issued a letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through an induction and familiarization program including the presentation and interactive session with the Managing Director & CEO and other functional heads on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director.

The details of the familiarization programmes imparted to the Independent Directors is available on the Company's website at http://www.gmmpfaudler.com/content/FamiliarizationProgramme2020_21.pdf

15. CODE OF CONDUCT:

The Company has in place a comprehensive Code of Conduct & Ethics Policy ('the Code') applicable to the Directors and all Employees. The Code is applicable to Non-Executive Directors including Independent Directors to such an extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the core values of the Company viz. Integrity, Customer Value, Cost Consciousness, Social Responsibility, Transparency, and Accountability.

A copy of the Code has been put up on the Company's website and can be accessed at http://www.gmmpfaudler.com/content/GMMCOC.pdf. The Code has been circulated to Directors and employees, and its compliance is affirmed by them annually.

A declaration signed by the Company's Managing Director is published in this Report.

16. GENERAL BODY MEETINGS:

The details of Annual General Meetings ("AGM") of Company held during preceding years are as follows:

Year	AGM	Date of Meeting	Time of Meeting	Venue	No. of Special Resolutions passed
2017-18	55th	August 9, 2018	12 noon	Sardar Vallabhbhai Patel and Veer Vithalbhai Patel Memorial, Anand - Sojitra Road, Karamsad - 388 325, Gujarat	2
2018-19	56th	August 14, 2019	12 noon		1
2019-20	57th	August 27, 2020	12 noon	Held through Video Conference facilities	2

All resolutions, including the special resolutions at the Annual General Meeting held on August 9, 2018 and August 14, 2019 were passed by way of voting provided through e-voting platform and through physical ballots, by shareholders who did not cast votes through e-voting platform.

Since the Annual General Meeting held on August 27, 2020 was held by way of video conferencing facilities, all resolutions, including the special resolutions at the said meeting were passed by way of electronic voting i.e. remote e-voting and e-voting at the Annual General Meeting.

Details of Special Resolutions passed at each of the AGM:

- 2017-18 for Payment of Remuneration to Managing Director and Reclassification of shares.
- 2018-19 for Re-appointment of Dr. S. Sivaram as an Independent Director to hold office of a second term for a continuous period from February 11, 2020 up to the conclusion of the 59th Annual General Meeting to be held for the financial year 2021-22.
- 2019-20 for Re-appointment of Deloitte Haskins & Sells as statutory auditors to hold office until the conclusion of the 62nd Annual General meeting and re-appointment and payment of remuneration to Mr. Tarak Patel.

No Extraordinary General Meeting of shareholders was held during the FY21.

Postal Ballot:

During the year under review, Postal Ballot Notice containing Resolutions together with the

Explanatory Statement were emailed to all the shareholders on Monday, November 23, 2020 and the last date for members to exercise their right to vote on resolutions proposed therein through e-voting process was till 5.00 P.M. of Wednesday, December 23, 2020. The Managing Director and the Company Secretary were responsible for postal ballot process. Mr. Jayesh M. Shah, (FCS 5637) Partner of M/s. Rathi & Associates, Company Secretaries, Mumbai was appointed as the Scrutinizer for conducting the postal ballot exercises in a fair and transparent manner. The scrutinizer submitted his report dated December 24, 2020 and on the basis of the report of the Scrutinizer on e-voting done by the members, the following resolutions as set out in the Postal ballot notice dated November 23, 2020 were duly passed by the Shareholders of the Company with requisite majority:

Resolution No. 1 as a Special Resolution for Approval for loans/ investments/ corporate guarantees by the Company in excess of the limits prescribed under Section 186(3) of the Companies Act, 2013.

Resolution No. 2 as an Ordinary Resolution for approval of the acquisition of the Pfaudler Group.

Resolution No. 3 as an Ordinary Resolution for approval for creation of pledge by the Company in respect of its shareholding in GMM International S.à.r.l.

Resolution No. 4 as a Special Resolution for approval for borrowings by the Company in excess of the limits prescribed under Section 180(1)(c) of the Companies Act, 2013.

Resolution No. 5 as a Special Resolution for Creation of security in respect of an undertaking of the Company under Section 180(1)(a) of the Companies Act, 2013.

Resolution No. 6 as a Special Resolution for approval for creation of pledge by the Company in respect of its shareholding in GMM International S.à.r.l.

Resolution No. 7 as a Special Resolution for approval for the adoption of the amended articles of association of the Company

Details of voting pattern of the above mentioned resolutions are as under:

Resolution No.	Total number of valid Votes	No. of Shares in favour of resolution	Percentage (%)	No. of Shares against the resolution	Percentage (%)
1	10,638,928	10,637,615	99.99	1,313	0.01
2	2,606,860	2,605,861	99.96	999	0.04
3	2,606,868	2,605,629	99.95	1,239	0.05
4	10,638,920	10,637,543	99.99	1,377	0.01
5	10,638,939	10,637,886	99.99	1,053	0.01
6	10,638,957	10,637,567	99.99	1,390	0.01
7	10,638,907	10,214,769	96.01	424,138	3.99

As on the date of signing this report there is no special resolution proposed to be conducted through postal ballot.

17. MEANS OF COMMUNICATION:

a) **Quarterly Results:** The Company's quarterly / half-yearly / annual financial results are sent to the Stock Exchanges where the shares are listed and published in the 'Economics Times' – English language (Mumbai and Ahmedabad) and 'Naya Padkar' – Gujarati language (Anand). Simultaneously, they are also displayed on the Company's website at http://www.gmmpfaudler.com/investor-relations-financials.php.

b) **News Releases, Presentations, etc.:** Official news releases and presentations made to institutional investor, financial analysts, etc. are displayed on the Company's website at http://www.gmmpfaudler.com/investor-relations-investor-presentation.php as well as sent to the Stock Exchanges. No unpublished price sensitive information is discussed in meeting/ presentation with institutional investors and financial analysts.

c) **Website:** The Company's website www.gmmpfaudler.com contains a separate dedicated section 'Investor Relations' where Shareholders' information is made available and such other information as may be required to be uploaded on the website of the Company in compliance/ accordance with Regulation 46 of the SEBI Listing Regulations as amended from time to time.

d) **Annual Report:** The Annual Report containing, *inter alia*, Audited Financial Statements, Audited Consolidated Financial Statements, Board's Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report. The Company's Annual Report is available in downloaded form on the Company's website and can be accessed on the Company's website and can be accessed at http://www.gmmpfaudler.com/investor-relations-annual-reports.php

e) **Reminder to Investors:** Reminder for unclaimed shares and unpaid dividend are sent to the shareholders as per records one month in advance of the due date to transfer of Investor Education and Protection Fund.

f) **BSE Corporate Compliance & Listing Centre (Listing Centre):** BSE's Listing Centre is a web-based application designed by BSE for corporates. All periodic compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on the Listing Centre.

g) **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for corporates. All periodic compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on NEAPS.

h) **SEBI Complaints Redress Systems (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of the system are: centralized database of all complaints, online upload of Action Taken Report (ATR's) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

i) **Designated Exclusive email ID:** The Company has a designated email ID exclusively for investor services: investorservices@gmmpfaudler.com

18. OTHER DISCLOSURES:

i) Whistle Blower Policy:

The Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct and Ethics Policy or complaints regarding accounting, auditing, internal controls or disclosure practices of the Company. It gives a platform to the whistleblower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints.

Whistle blowers can report such instances to the Chairman of the Audit Committee:

(a) by email to chairman.auditcommittee@gmmpfaudler.com

(b) by letter addressed to the Audit Committee, marked "Private and Confidential", and delivered to the Chairman of the Audit Committee, GMM Pfaudler Limited, 902, Lodha Excelus Commercial Tower 1, Sewri-Chembur Road, New Cuffe Parade, Mumbai - 400037.

It is hereby affirmed that no personnel has been denied access to the Audit Committee.

The Whistle Blower Policy is placed on the website of the Company and web-link to the same is as under: http://www.gmmpfaudler.com/content/Whistle_Blower.pdf

The confidentiality of such reporting is maintained, and the whistleblower is protected from any discriminatory action.

ii) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year the Company has not received any complaint.

iii) Compliance:

The Company received communication from National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) dated November 3, 2020 and November

17, 2020 respectively pertaining to non-compliance under Regulation 18 of the Listing Regulations with respect to constitution of Audit Committee. The communication stated that the composition of Audit Committee was not in compliance with the requirement of having 2/3rd of Audit Committee Members as Independent Directors as per SEBI Guidance Note dated May 3, 2018, which stated that all fractions were required to be rounded off to the higher number. The Company immediately took steps to remedy the constitution of its Audit Committee and appointed Ms. Bhawana Mishra, Independent Director as an Audit Committee Member vide circular resolution dated November 10, 2020. However, a penalty of ₹ 309,160/- was levied by NSE and BSE respectively for the said non-compliance under Regulation 18 of the Listing Regulations. Subsequently, the Company has filed a waiver application with BSE and NSE in November, 2020 and February, 2021 submitting facts of the case. The Company awaits further communication from the both the Stock Exchanges.

Other than the above, there was no non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

iv) Details of Compliance with Mandatory requirements and adoption of Non-mandatory requirements:

- **Mandatory requirements:**

  The Company has complied with the mandatory requirements of the Listing Regulations with regard to Corporate Governance.

- **Non-Mandatory requirements:**

  a. Office for non-executive Chairman at company's expense: Not Applicable

  b. Modified opinion(s) in Audit Report: Complied as there are no modified opinion in Audit Report

  c. Separate posts of Chairman & CEO: Complied

  d. Reporting of Internal Auditors directly to Audit Committee: Complied

v) Disclosure of commodity price risks and commodity hedging activities:

The details are provided at point no. (h) of Management Discussion & Analysis of this report.

vi) Policy on Related Party Transactions:

There are no materially significant related party transactions that may have potential conflict with the interest of the Company.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website. The web-link as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

http://www.gmmpfaudler.com/content/PolicyonRelatedPartyTransactions.pdf

vii) Certificate from a company secretary in practice:

A Certificate has been received from M/s. Rathi & Associates, Practicing Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs/Reserve Bank of India or any such statutory authority. The same is annexed to this Report.

viii) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

Not Applicable

ix) Instances of not accepting any recommendation of the Committee by the Board:

There is no such instance where Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year.

x) Fees to the Statutory Auditors of the Company:

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors of the Company is mentioned at Note No. 34 of Notes to standalone financial statements. The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.

xi) Disclosure of the compliance with corporate governance requirements specified in regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements), 2015:

Regu-lation No.	Particulars	Compliance Status (Yes or No)
17	Board of Directors	Yes
18	Audit Committee	Yes*
19	Nomination and Remuneration	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of the Company	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance	Yes

Note(s): *Please refer point 18(iii) of this report.

xii) Disclosures with respect to demat suspense account/ unclaimed suspense account:

Not Applicable

xiii) Confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management:

As on date, Dr. S. Sivaram, Mr. Nakul Toshniwal, Ms. Bhawana Mishra and Mr. Vivek Bhatia are the Independent Directors on the Board. Based on the declarations given by the Independent Directors, the Board is of the opinion that the Independent Directors meet the criteria of independence as provided under section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of management of the Company.

xiv) Policy for Determining Material Subsidiaries:

The policy for determining material subsidiaries is available on the Company's website at http://www.gmmpfaudler.com/content/PolicyfordeterminingMaterialSubisidiaries.pdf

xv) Prevention of Insider Trading

The Company has amended the code of Internal Procedures and Conduct for regulating, monitoring and reporting trading by designated persons in accordance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 w.e.f. April 1, 2019 and is available at http://www.gmmpfaudler.com/content/CodeofConductforPreventionofInsiderTrading.pdf

The Code of fair disclosure of unpublished price sensitive information is available at http://www.gmmpfaudler.com/content/CodeofpracticesandProceduresforFairDisclosureofUPSI.pdf

19. GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting:

58th Annual General Meeting of the Company will be held on August 13, 2021 at 4.00 pm by video-conference.

b) Date of Book Closure:

Saturday, August 7, 2021 to Friday, August 13, 2021 (both days inclusive)

c) Dividend Payment Date: On or before September 10, 2021

d) Financial year of the Company: April 01, 2020 to March 31, 2021

e) Tentative Calendar for the financial year: April, 2021 to March, 2022

Financial reporting for:

- Quarter ended June 30, 2021 : 2nd week of August, 2021
- Quarter ended September 30, 2021 : 2nd week of November, 2021
- Quarter ended December 31, 2021 : 2nd week of February, 2022
- Quarter ended March 31, 2022 : 4th week of May, 2022
- Annual General Meeting for the year ended March 31, 2022 : 2nd week of August, 2022

f) Listing of Stock Exchange: Share of the Company are listed on:

- BSE Limited, Phiroze Jeejeebhoy Towers, 1st Floor, Dalal Street, Mumbai 400001.
- National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra, Mumbai 400 051.

The Company confirms that the annual listing fees to BSE Limited and NSE Limited for the financial year 2021-22 have been paid.

g) BSE Scrip Code: 505255 **/ NSE Symbol -** GMMPFAUDLR

h) ISIN with NSDL & CDSL: INE541A01023

i) Registrar & Transfer Agents:

Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083. Phone 4918 6270, Fax 4918 6060 Contact Person: Mr. Satyan Desai Email: rnt.helpdesk@linkintime.co.in

j) Share Transfer System:

Share transfers are processed and share certificates duly endorsed are delivered within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission and related requests of the Company's shares to the Managing Director and the Company Secretary.

Kindly note that as per amendment in Regulation 40 of the Listing Regulations, the listed entities (including their RTAs) are restricted from effecting Transfer of Shares in physical form w.e.f. December 5, 2018. All Shareholders are requested to convert their shares in demat mode. However, this amendment shall not affect the transmission or transposition of shares held in physical form.

j) Shareholding Pattern as on March 31, 2021:

Category	No. of shares	Percent
Foreign Promoters - Pfaudler Inc.	4,776,736	32.68
Indian Promoters Group	3,255,329	22.27
NRI/OCB	596,020	4.08
Financial Institution, Nationalized Bank, Insurance		
Companies, Mutual Funds, FPI's, Alternate Investment Funds	2,257,681	15.44
Domestic Companies, Clearing Members, Trusts, NBFC's	62,797	0.43
IEPF	53,602	0.37
Individuals	3,615,335	24.73
Total	**14,617,500**	**100.00**

k) Distribution of Shareholding as on March 31, 2021:

Sr. No.	Slab of shareholding No. of Equity shares held		Shareholders		Shares	
	From	To	Nos.	%	Share Amt	%
1.	1	1,000	98,145	98.8926	4,315,742	14.76
2.	1,000	2,000	575	0.5794	860,226	2.94
3.	2,001	4,000	260	0.2620	742,978	2.54
4.	4,001	6,000	95	0.0957	471,492	1.16
5.	6,001	8,000	36	0.0363	257,030	0.88
6.	8,001	10,000	19	0.0191	173,286	0.59
7.	10,001	20,000	46	0.0464	657,494	2.25
8.	20,001	Above	68	0.0685	21,756,752	74.42
Total			**99,244**	**10.00**	**29,235,000**	**100.00**

l) Stock Market Price for the year:

BSE Limited

Month	Market Price (₹)		BSE – Sensex	
	High	Low	High	Low
April, 2020	4,090.00	2,374.45	33,887.25	27,500.79
May, 2020	3,980.00	3,301.00	32,845.48	29,968.45
June, 2020	4,700.00	3,790.00	35,706.55	32,348.10
July, 2020	4,380.00	3,938.05	38,617.03	34,927.20
August, 2020	6,913.85	4,005.00	40,010.17	36,911.23
September, 2020	5,996.75	3,457.90	39,359.51	36,495.98
October, 2020	4,177.00	3,506.15	41,048.05	38,410.20
November, 2020	3,886.65	3,316.00	44,825.37	39,334.92
December, 2020	3,893.25	3,463.25	47,896.97	44,118.10
January, 2021	4,040.00	3,555.00	50,184.01	46,160.46
February, 2021	4,742.05	3,540.00	52,516.76	46,433.65
March, 2021	4,564.45	3,988.00	51,821.84	48,236.35

l) Stock Market Price for the year:

NSE Limited

Month	Market Price (₹)		NSE – Nifty	
	High	Low	High	Low
April, 2020	4,090.00	2,300.00	9,889.05	8,055.80
May, 2020	3,980.20	3,305.60	9,597.45	8,807.60
June, 2020	4,629.55	3,711.00	10,552.75	9,544.35
July, 2020	4,380.00	3,940.00	11,341.40	10,299.60
August, 2020	6,900.00	4,000.05	11,794.25	10,882.25
September, 2020	5,996.40	3,432.80	11,618.10	10,790.20
October, 2020	4,178.00	3,501.45	12,025.45	11,347.05
November, 2020	3,889.80	3,335.20	13,145.85	11,557.40
December, 2020	3,899.00	3,469.45	14,024.85	12,962.80
January, 2021	4,050.00	3,557.30	14,753.55	13,596.75
February, 2021	4,739.75	3,535.00	15,336.30	14,264.40
March, 2021	4,564.00	3,980.05	15,431.75	13,661.75

m) Dematerialization:

As on March 31, 2021, 98.34% of the Company's total shares representing 14,374,745 shares were held in dematerialized form and the balance 242,755 representing 1.66% shares were in Physical Form.

n) Outstanding GDRs / ADRs /Warrants or any convertible instruments:

There has been no issue of GDR/ADRS warrants or any convertible instruments hence no question of outstanding of any such instruments.

o) Plant Location:

Manufacturing Plants of the Company are situated at

- Vithal Udyognagar, Anand – Sojitra Road, Karamsad, 388 325, Gujarat and
- 7, Nacharam Industrial Estate, Secunderabad, Telangana
- 5/1/2, G I D C Vatva, Vatva Railway Crossing, Ahmedabad, Gujarat 382445

p) Details of credit ratings:

CRISIL vide its report dated April 27, 2021 has reaffirmed the Company's long-term banking facilities the CRISIL AA-/Stable which is considered to have high degree of safety regarding timely servicing of financial obligations.

Further, CRISIL has also retained short-term banking facility ratings at CRISIL A1+ which is considered to have a high degree of safety regarding timely payment of financial obligations carrying lowest credit risk.

q) Shareholders & Investors Correspondence:

Shareholders should address their correspondence to the Company's Registrar and Transfer Agent:

Link Intime India Private Limited,
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai 400 083
Phone 022-4918 6270, Fax 022- 4918 6060.
Contact Person: Mr. Satyan Desai
Email: gmminvestors@linkintime.co.in

20. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Company's Auditors Deloitte Haskins & Sells, confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

CEO declaration for compliance of the Company's Code of Conduct:

I hereby affirm that all the Board Members and Senior Management Executives of the Company have affirmed compliance with the Code of Conduct & Ethics Policy of GMM Pfaudler Limited as applicable to them for the year ended March 31, 2021.

Tarak Patel
Managing Director
DIN : 00166183

Place: Mumbai
Date: May 16, 2021

CEO / CFO COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF THE SEBI LISTING REGULATIONS:

We, Tarak Patel, Managing Director and Manish Poddar, CFO certify to the Board that:

a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2021 and that to the best of their knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) We are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee, the following:

   i. significant changes in internal control over financial reporting during the year, if any;

   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Tarak Patel
Managing Director
DIN : 00166183

Manish Poddar
Chief Financial Officer

Place: Mumbai
Date: May 16, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V - Para C - Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
GMM Pfaudler Limited
Vithal Udyognagar,
Karamsad, Gujarat - 388325

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GMM Pfaudler Limited having CIN: L29199GJ1962PLC001171, and registered office at Vithal Udyognagar, Karamsad, Gujarat - 388325 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) readwith Schedule V - Para C - Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status on the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2021, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of the Director	DIN	Date of Appointment
1.	Mr. Sivaram Swaminathan	00009900	26/06/2003
2.	Mr. Ashok Jethabhai Patel	00165858	01/01/1988
3.	Mr. Tarak Ashok Patel	00166183	30/01/2007
4.	Mr. Nakul Toshniwal	00350112	16/05/2018
5.	Mr. Harsh Gupta	02434051	01/04/2020
6.	Mrs. Bhawana Mishra	06741655	01/04/2020
7.	Mr. Thomas Otto Kehl	06935094	19/05/2015
8.	Mr. Vivek Bhatia	08166667	01/04/2020
9.	Mr. Alexander Pömpner	08778448	02/07/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Rathi & Associates**
Company Secretaries

Jayesh Shah
Partner
MEM. NO. FCS 5637
COP NO. 2535
UDIN: F005637C000469650

Place: Mumbai
Date: May 28, 2021

To The Members of
GMM PFAUDLER LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This Certificate is issued in accordance with the terms of our engagement letter dated September 10, 2020.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of GMM Pfaudler Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility:

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility:

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2021.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
(Partner)
(Membership No. 106189)
UDIN:21106189AAAAFN5305

Place: Ahmedabad
Date: May 28, 2021

BUSINESS RESPONSIBILITY REPORT

GMM Pfaudler recognizes the impact it has among the communities in which it operates and believes that the organization holds a crucial responsibility towards improving and enriching the lives of these communities. The Company also understands the role it plays in their social - economic development and environmental sustainability.

As a responsible corporate citizen, the Company is committed to ensuring sustainable development and inclusive growth and believes in the philosophy of giving back to the society that played an instrumental role in GMM Pfaudler's growth and success by offering uninterrupted support in the organization's endeavors. In keeping with the Company's commitment to responsibility and accountability towards all its stakeholders and its efforts to conduct business with responsibility, the Company is pleased to present its Business Responsibility Report for the FY21 in line with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company endorses the guiding principles as outlined in the National Guidelines on Responsible Business Conduct (NGBRC) as formulated by the Ministry of Corporate Affairs and is committed towards their adherence.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN)	**L29199GJ192PLC001171**
2.	Name of the Company	GMM Pfaudler Limited
3.	Registered address	Vithal Udyognagar, Anand – Sojitra Road, Karamsad, 388 325, Gujarat
4.	Website	www.gmmpfaudler.com
5.	Email id	investorservices@gmmpfaudler.com
6.	Financial year reported	April 1, 2020 up to March 31, 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturing of other Special Purpose Machinery for the pharmaceutical, Chemical and Heavy Machinery industry NIC Code of the Product/ Service - 28299
8.	List three key products / services that the Company manufactures/ provides (as in balance sheet)	Glass lined equipment, Chemical process equipment & systems and pressure vessels
9.	Total number of locations where business activity is undertaken by the Company	The Company has its geographical presence in 13 countries with its manufacturing plants in 8 countries.
	Number of international locations	The Company has 10 manufacturing plants in 7 countries spread across 4 continents. 1. Europe: 3 Plants in Germany, and 1 each in UK, Switzerland & Italy 2. North America: New York and Pennsylvania; 3. South America: Brazil 4. Asia: China
		During the year under review, the Company acquired major stake in Pfaudler Group of Companies (in February 2021), which is engaged in similar line of activities and has manufacturing plants in 6 (six) countries. Pursuant to the said acquisition, the Company through its subsidiaries now has sales offices in 4 continents.

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	Number of national locations	The Company's has 3 manufacturing plants in India: Gujarat: Karamsad and Ahmedabad Telangana: Hyderabad
10.	Markets served by the Company - Local / State / National / International	The Company, apart from national markets, has now extended its offerings in the international market as well. Prior to the acquisition undertaken during the financial year under report, it used to export the products in various countries. However, with the acquisitions, the Company proposed to cater to international market in large scale covering all the major countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital of the Company	₹ 29.23 million
2.	Total turnover as on March 31, 2021	Standalone: ₹ 6,408.09 million Consolidated: ₹ 10,011.19 million
3.	Total profit after tax as on March 31, 2021	₹ 951.02 million
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	The Company's total spending on CSR for the FY21 is ₹ 12.09 million which is 1.27% of the PAT and 2% of average net profit for previous three years in respect of standalone.
5.	List of activities in which expenditure in four above was incurred:	a) Promoting rural Healthcare including preventive healthcare b) Ensuring Environmental Sustainability, ecological balance, protection of flora and fauna c) Promoting education and enhancing vocational skills

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company / Companies?	Yes, the Company has 16 subsidiaries (including wholly owned step-down subsidiaries) as on March 31, 2021.
2.	Does the subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).	GMM Pfaudler's policies and codes of conduct, Vision, Mission and Values are applicable to its subsidiary at Switzerland. Other subsidiaries (Pfaudler Group of Companies) have been recently acquired on February 16, 2021 and therefore, implementation of the said Policies to those subsidiaries is in process. However, these subsidiaries follow Pfaudler's policies, values and code of conduct, which are similar to the Company's Policies.
3.	Does any other entity / entities (e.g. suppliers, distributors etc.), that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	Yes. All the Suppliers/Vendors who cater to the needs of GMM Pfaudler in terms of goods and services come under the purview of our Supplier's Code of Conduct. These entities include our supplier, contractors, contract manufacturers and joint venture partners who share a contractual and/or commercial relationship with us. The policy specifies the expectations from our value chain partners.

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR

a)	Details of the Director / Directors responsible for the implementation of the BR policy / policies:	
	DIN	00166183
	Name	Mr. Tarak Patel
	Designation	Managing Director
b)	Details of the BR head:	
	Name	Mr. Tarak Patel
	Designation	Managing Director
	Telephone No.	+91 22 6650 3900
	E-mail ID	tarak.patel@gmmpfaudler.com

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)

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

Principle 1	P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	P2	Businesses should provide goods and services that are safe, and contribute to sustainability throughout their life cycle
Principle 3	P3	Businesses should promote the wellbeing of all employees
Principle 4	P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5	P5	Businesses should respect and promote human rights
Principle 6	P6	Businesses should respect, protect and make efforts to restore the environment
Principle 7	P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	P8	Businesses should support inclusive growth and equitable development
Principle 9	P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for...	Yes								
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Yes								
3.	Does the policy conform to national / international standards? If yes, specify? (50 words)	The Board approved policies and codes of conduct cover the NVGs as well as all applicable national and international regulations are captured in the policies articulated by GMM Pfaudler. In addition, they reflect the purpose and intent of the international standards such as ISO 9001, ISO 14001 and ISO 45001.								
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD / Owner / CEO appropriate Board Director?	Yes								
5.	Does the Company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy? [1]	The Board has appointed a BR director to oversee policy implementation. The Company has a well-established internal governance structure to ensure the implementation of various policies, internal regulations and procedures. The Company has internally mapped all policies, internal regulations and procedures to business functions responsible for its implementation.								

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	P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Indicate the link to view the policy online?	http://www.gmmpfaudler.com/investor-relations-policies-programmes.php							
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes							
8.	Does the Company have in-house structure to implement its policy / policies?	Yes, all the policies have a policy owner and the respective policy owners are responsible for implementation of the policy.							
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies? [2]	Yes							
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes; all policies and procedures are being implemented and working effectively as per their objectives. They are further evaluated by the internal auditors and the Report is placed before the Board for their discussion and actions.							

3. Governance related to BR

1.	Indicate the frequency with which the Board of Directors, Committee of the Board or the CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	The Board of Directors of the Company, either directly or through its Committees, assess various initiatives that form part of the BR performance of the Company on a periodic basis. The CSR Committee meets every six months to review implementation of the projects/ programs/ activities to be undertaken in the field of CSR.
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing the report? How frequently it is published?	The Company publishes it's BR Report on an annual basis and is in the process of formalizing an ESG Section for inclusion in Annual Report.

SECTION E: PRINCIPLE WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

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

1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors /NGOs / Others?	GMM Pfaudler's commitment towards compliance to the highest governance standard is backed by an independent and fully informed board, comprehensive processes, policies and communication. The Company adheres to the highest level of ethical business practices as articulated by its Code of Conduct & Ethics Policy ("The Code") to achieve its performance with integrity. The employees of the Company are expected to abide by the Code and report its violation to the Compliance Officer, as and when observed. Also, the employees are expected to affirm the Code on annual basis. The Code applies to any irregularity, involving employees as well as vendors, contractors, customers and/or any other entities having a business relationship with the Company. The Company has a well-defined Whistle Blower Policy in place to provide its employees and its subsidiaries a mechanism to raise concern with respect to any unlawful or unethical activity or violation of law or the Code including the policies formulated thereunder.

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		Compliance with the statutory requirements has always been one of the focus areas of the Company. There is a centralized compliance function, which enables business teams know their statutory responsibilities and ways to fulfil those responsibilities. The compliance function, while on one hand keeps the Board and the senior management updated about the status of compliance with statutory requirements, on the other hand works with business teams to build capabilities through trainings and assessments. There is a robust system to protect the confidentiality of unpublished price sensitive information. The system works through processes that not only ensures compliance with the requirements prescribed under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, by making timely disclosures to stock exchanges, declarations by designated persons, etc. but also moves ahead with the help of the Company's Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information. The Code is applicable to those employees of the Company, its subsidiaries and joint ventures, who may be deemed to have access to unpublished price sensitive information. Code of Conduct & Ethics Policy, Whistle Blower Policy and Code of Conduct for Prevention of insider trading is available at http://www.gmmpfaudler.com/investor-relations-policies-programmes.php
2.	How many stakeholder complaints were received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.	There are different systems in place to receive and resolve complaints from various stakeholders. There were no stake holder complaints during the FY21 related to Ethics, Transparency and Accountability. In case of investors, complaints received through SEBI, stock exchanges or depositories are resolved through Company's share transfer agent. During the year, the Company received and resolved 8 investor complaints and there were no outstanding complaints as on March 31, 2021.

Principle 2: Product Lifecycle Sustainability

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

1. List three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities:
   1. Glasslined equipment
   2. Mixion High Efficiency Agitators
   3. Single Fluid Heating & Cooling Systems
2. For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional)

   1. Glasslined equipment:

   In manufacturing

   a. Natural Gas (NG) Furnaces used in the Company's glassing process saves nearly 50% energy as compared to conventional Electric Furnaces. Recently the Company has installed two new NG furnaces. With this addition, the Company now has total of six NG furnaces; thereby almost minimizing the use of Electric Furnaces.

   b. Other furnaces for heat treatment have been converted from HDO to NG Natural Gas (NG) Furnaces

   c. Water used for hydrotesting of equipment, whose requirement is in several kiloliters per day, is recycled in large storage tanks and reused in the process.

   In service

   d. Energy efficient designs of agitators are offered to improve mixing and reduce energy consumption.

   e. Reconditioning and relining of equipment, offered as a service, extends the useful life of the equipment

Contd.

2. Mixion High Efficiency Agitators

a. Mixion agitators improves performance of mixing, heat transfer, mass transfer etc. all of which contribute to better yield, lower batch times, better purity all of which are indicators of optimum use of resources.

b. The agitators so designed also consume less energy as compared to conventional agitators.

3. Thermal Control Units

a. Single Fluid Heating & Cooling Systems improves life and performance characteristics of the reactor or other chemical processing equipment and saves time, energy and reduces quality deterioration.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.

We have to cover transportation facilities too.

We can highlight long relationship with suppliers and long standing of the Company in the industry for more than 50 years there has been not a single breakdown due to supply of shortage of materials and other related matters to be highlighted

During the year, the Company has been awarded a bronze medal and certification for its sustainability initiatives from EcoVadis – the world's most trusted provider of business sustainability ratings. The medal is a global recognition of GMM Pfaudler's commitment to create a more sustainable world, demonstrating its corporate social responsibility, transparency and sustainability credentials. Valid for three years, the certification reinforces the Company's technological and CSR expertise through a sustainability audit highlighting its performance across key indicators.

As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth. GMM Pfaudler continues to focus on issues related to healthcare, education, skill development and environment sustainability. This recognition is a major step towards illustrating this commitment, our expertise and resources to help local communities in which we operate.

The Company has implemented various sustainable supply chain practices and initiatives and at the same time ensures timely and cost-effective deliveries for necessary resources. All major suppliers have declared to the Company their compliance to the ethical, social and environmental standards.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what initiatives were taken to improve their capacity and capability of local and small vendors?

The Company sources and subcontracts a lot of its components and accessories from companies located in the adjoining Gujarat Industrial Development Corporation . This reduces the carbon footprint of material delivered to the Company. Furthermore, it has a Quality Improvement Program to improve manufacturing process of the vendors to prevent rejections and rework.

The nature of Company's business is such that the sourcing has to be compulsorily done from supply chain partners with specific technical competencies and makes as specified by customers. However, wherever feasible, economic consideration of low transportation cost ensures procurement of goods and services from local & small producers.

Also, the Company employs young talent from the neighboring engineering institutes and industrial training institutes; thereby increasing employment opportunities for the local community.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling them (separately as <5%, 5-10%, >10%)? Also provide details thereof, in about 50 words or so.

The Company's manufactures capital equipment, which does not lend itself to recycling. However, the Company offers reconditioning service to ensure that the equipment works smoothly during the life of the equipment.

All waste that has no commercial value is disposed of through agencies authorized by the State and Central Pollution Control Boards. The steel scrap is sold to dealers who in turn further process the scrap for steel manufacture. Water used for hydro-testing is recycled and stored in large tanks. The Sewage from the plant is treated in Sewage Treatment Plants and the water from the plants is used for gardening.

The Effluence Treatment Plant (ETP) has been installed in the Factory, which purifies 80,000 liters of water and is then used for maintaining 5,000 sq. mtrs. greenfield area. This ETP is tested by the Gujarat State Pollution Control Board (GPCB) on a monthly basis. During the year, the Company has installed two Rainwater Harvesting Wells having the capacity of 40 KL & 65 KL to improve ground water level.

Single use and non-biodegradable plastic are banned within the premises. The Company hands over its waste to a Common Transport Storage and Disposal Facility to ensure waste disposal is in accordance with the GPCB guidelines.

Hence, the Company has been strictly following the guidelines stipulated under the Pollution Control Act and alert about the proper disposal of industrial waste without harming the environment, people and other live stocks.

Principle 3: Employee Wellbeing

Businesses should promote the wellbeing of all employees

1	Total number of permanent employees as on March 31, 2021	627
2	Total number of employees on temporary/ contractual/ casual basis as on March 31, 2021	597
3	Total number of permanent women employees as on March 31, 2021	36
4	Total number of permanent employees with disabilities as on March 31, 2021	4
5	Do you have an employee association that is recognized by the Management?	Yes, we have recognized trade unions affiliated to various trade union bodies.
6	What percentage of your permanent employees are members of this recognized employee association?	Around 37.16% of total permanent employees are members of above trade unions.
7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	During the year, there were no cases of child labour/ forced labour/ involuntary labour. No discriminatory employment was reported and no complaints were received for sexual harassment.
8	What percentage of your under-mentioned employees that were given safety and skill up-gradation training in the last year?	

Category	%
Permanent employees (includes classroom and e-learning)	40
Permanent women employees	36
Casual / temporary / contractual employees	78
Employees with disabilities	25

Principle 4: Stakeholder Engagement

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

1.	Has the Company mapped its internal and external stakeholders? Yes / No	Yes, the Company has mapped all its significant stake holders.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	Yes, the Company has identified certain groups of disadvantaged, vulnerable and marginalized stakeholders and with the help of reputed Trusts / NGOs conducts CSR activities amongst them.
3.	Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?	Yes, the Company has taken initiatives to engage with its disadvantaged, vulnerable and marginalized stakeholders through its CSR projects. GMM Pfaudler recognizes the impact it has among geographies it operates in and has always contributed towards safeguarding the lives of people in these communities. With its dedicated and focused approach, the Company has contributed time, expertise and resources in improving the social and economic development while actively working towards environmental sustainability.
		The Company's initiatives in thrust areas such as healthcare, skill development and environment sustainability are targeted to bring meaningful difference in the lives of its associated stakeholders. These projects are based on the needs of the community. The selected interventions are sustainable, innovative and replicable.
		During the year, the Company has provided financial & resource assistance to facilities that are working to fight the COVID-19 health crisis. Since the pandemic began in 2020, GMM Pfaudler has provided relentless support to Shree Krishna Hospital at Gujarat that has proven to be critical in the fight against COVID-19 for those severely affected with higher bacterial loads and lung infections.
		Further details are available at http://www.gmmpfaudler.com/csr.php

Principle 5: Human Rights

Businesses should respect and promote human rights

1.	Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	GMM Pfaudler's Code of Conduct and Ethics Policy elaborates that the Company stands against violation of human rights, non-discrimination, avoidance of child labor and sexual harassment. Efforts are extended to implement the policy with company's Suppliers, Contractors, Agents and others within our sphere of influence.
2.	How many stakeholder complaints were received in the past financial year and what percent was satisfactorily resolved by the Management?	The Company has not received any complaint of human rights violation

Principle 6: Environmental Management

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

1.	Does the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company has adopted a Health, Safety & Environment Policy (HSE); the details are available on the web link is http://www.gmmpfaudler.com/ The Company has been accredited and certified for ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health & Safety Management System) by TUV SUD (valid up to July 28, 2022) for its factory at Karamsad, Gujarat, which is extended to Contractors working at the premises. It does not cover outside contractors and suppliers.
2.	Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming, and others? If yes, please give hyperlink for webpage etc.	Yes. The Company has proactively taken several initiatives to address environmental issues and to create positive impact on the environment. The initiatives executed towards climate change and environment are in line with the UN SDG 7 i.e., Affordable and Clean Energy. The Company uses windmills and solar energy as alternative sources of energy and uses recycled water for its operations. The said alternatives reduce emissions dangerous for the environment. The details of measures taken as under: 1. The Company installed 1MW Roof Top Solar Plant with grid connectivity in in December 2019 at Karamsad, Gujarat. Total generated Power was about 1,212,000 KWH for the year ended March 31, 2021. 2. The Company owns and maintains windmills with a total generating capacity of 1.8 MW. The windmills generated about 1,109,576 KWH for the year ended March 31, 2021. 3. 20% water saving/day by the use of cured water for gardening from the Sewage Treated Plant. 4. The Company uses recycled water for Hydro testing of equipment. 5. The Company continues to focus on the paperless office concept in its premises to minimize its carbon footprints. Also, the Company supports various Environmental Sustainability initiatives through its CSR implementing Partner – ReefWatch Marine Conservation and Sardar Patel Trust. The details are available on the web link is http://www.gmmpfaudler.com/csr.php Through this effort, the Company endeavors to support the UN SDG 14 i.e., Life below Water.

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3.	Does the Company identify and assess potential environmental risks? Y / N	Yes. Risks, mitigation strategies and contingency measures are reviewed and revised every year. The Health, Safety and Environment team organizes multiple workshops for various business functions.
4.	Project(s) related to Clean Development Mechanism.	Although the Company has projects in solar power, wind power and use of natural gas furnaces, it has not undertaken any project specifically related to the Clean Development Mechanism.
5.	Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy and so on? If yes, please give hyperlink to web page and others.	The Company has been accredited and certified for ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health & Safety Management System) by TUV SUD (valid up to July 28, 2022) for its factory at Karamsad, Gujarat. The Company constantly endeavors to reduce its carbon footprints through advancement in the areas of clean technology, energy efficiency and renewable energy. Every year, the Company reduces its power consumption of about 2 MWs by use of natural gas furnace instead of electric power. Through this effort, the Company is aiming to align with the focus areas of the UN SDG 12 i.e., Responsible Consumption and Production.
6.	Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes. During the year, the Emissions/Waste generated by the Company were within the limits prescribed by GPCB and a certification to that effect is being obtained on a periodical basis as per guidelines of GPCB.
7.	Number of show cause / legal notices received from CPCB / SPCB, which are pending (i.e. not resolved to satisfaction) as on the end of the financial year	Nil

Principle 7: Public Advocacy

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

1.	Is your company a member of any trade and chamber or association? If yes, name only those major ones that the Company deals with	The Company is inter alia a member of the following business associations: The Bombay Chamber of Commerce & Industry (BCCI) The Federation of Indian Chambers of Commerce and Industry (FICCI) The Confederation of Indian Industry (CII) Indian Chemical Council (ICC) Process Plant & Machinery Association of India (PPMAI) Indian American Chamber of Commerce (IACC)
2.	Has the Company advocated / lobbied through the above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development polices, energy security, water, food security, sustainable business principles and others)	The Company takes active part whenever any consultation paper is released by any authority and/or policy/ guideline related to trade, commerce, safety, productivity, environment issued by any State or local authorities, by providing its inputs to the association for an appropriate representation to the regulator/ respective State or local authority. The Company focuses on public policies that maximize the ability of individuals and companies to innovate, accelerate job creation, benefit the daily lives of people and strengthen the country's economy. Additionally, the Company works to ensure that its public policy positions complement or advance its sustainability and citizenship objectives.

Principle 8: Inclusive Growth

Businesses should support inclusive growth and equitable development

1.	Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide details thereof	Yes, GMM Pfaudler has specific projects, which support inclusive growth and equitable development. Details are available at http://www.gmmpfaudler.com/csr.php These projects are centered around the needs and well-being of the community and are undertaken in consultation with relevant stakeholders to ensure the selected interventions are sustainable, innovative and replicable. In fact, many of the projects selected are complimentary to the overall national agenda such as Preventive Healthcare, Skill development and Protection of Environment.
2.	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?	The projects are undertaken through various implementing agencies.
3.	Has the Company done any impact assessment for its initiative?	The Company has a well-established CSR Committee, which periodically monitors and reviews the impacts of the CSR activities undertaken by the Company to ensure meaningful outcome.
4.	What is the Company's direct contribution to community development projects (Amount in? and the details of the projects undertaken)?	During FY21, the Company has spent an amount of ₹ 12.09 million on various CSR activities. The details of the amount incurred, and areas covered are given in the Annual Report on Corporate Social Responsibility activities for the F.Y. ended March 31, 2021 attached as 'Annexure C' forming part of the Directors' Report.
5.	Has the Company taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in around 50 words	All the social development programmes of the Company are implemented based on the need of the community. The Company's programmes on education, skill development, disaster relief and more have ensured involvement and sustained participation from the community members. They are involved to ensure better implementation of the projects in their respective areas. GMM Pfaudler's social initiative continuously focuses on benefiting both individual and the community at large. The details of the initiatives implemented by the Company are covered under the 'Social' head in the ESG section of the Report.

Principle 9: Value for Customers

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

1.	What percentage of customer complaints / consumer cases is pending, as on the end of the financial year?	The Company regularly conducts surveys and meetings with its customers to educate and apprise them, and to understand their concerns. The concerns mentioned during these surveys are resolved in due course to the satisfaction of the consumer. No significant customer complaint remains pending at the end of the financial year.
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	The Company's products carry a name plate with all the relevant information as mandated under various Statutes and Codes.
3.	Cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on the end of the financial year. If yes, provide details thereof, in about 50 words or so.	Nil
4.	Did the Company carry out any consumer survey / consumer satisfaction trends?	Consumer Satisfaction survey is a part of our product delivery cycle and we are constantly working towards strengthening our feedback mechanism.

INDEPENDENT AUDITOR'S REPORT

To The Members of GMM Pfaudler Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of GMM Pfaudler Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition on long-term contracts (percentage of completion accounting) (Refer Note 11 to the Financial Statements)
Key Audit Matter Description
The Company generates its revenue and profit/loss from long-term customer specific contracts where performance obligations are satisfied over a period of time. These contracts are accounted based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue is thus dependent on estimates in relation to total estimated costs of each contract.
This area is considered as key audit matter due to the size of revenue generated from long-term customer specific contracts. Furthermore, accounting for the contracts involves both judgement, in assessing whether the criteria set out in the Ind AS 115 "Revenue from contracts with the customers"- have been met, and cost contingencies in these estimates to take in to account specific uncertain risks, or disputed claims against the Company, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate.

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INDEPENDENT AUDITOR'S REPORT

To The Members of GMM Pfaudler Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of GMM Pfaudler Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition on long-term contracts (percentage of completion accounting) (Refer Note 11 to the Financial Statements)
Key Audit Matter Description
The Company generates its revenue and profit/loss from long-term customer specific contracts where performance obligations are satisfied over a period of time. These contracts are accounted based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue is thus dependent on estimates in relation to total estimated costs of each contract.
This area is considered as key audit matter due to the size of revenue generated from long-term customer specific contracts. Furthermore, accounting for the contracts involves both judgement, in assessing whether the criteria set out in the Ind AS 115 "Revenue from contracts with the customers"- have been met, and cost contingencies in these estimates to take in to account specific uncertain risks, or disputed claims against the Company, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate.

Contd.

Principle audit procedure performed

The procedures performed included the following:

- obtained an understanding of the process followed by the Company in determination of the estimates and contract revenue
- performed walkthrough procedures over the process of identification of performance obligation
- tested the design and implementation of internal control over the quantification of the estimates used as well as the operating effectiveness of such control
- assessed whether management's policies and processes for making these estimates are applied consistently overtime to contracts of a similar nature
- tested sample of contracts for:
  - appropriate identification of performance obligations
  - evaluation of reasonability of estimates of costs to complete and
  - tested the appropriateness of the timing of recognizing the revenue from the contracts

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's report, Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit that:

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

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
(Partner)
(Membership No. 106189)
UDIN: 21106189AAAAFL3003

Place: Ahmedabad
Date: May 28, 2021

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GMM Pfaudler Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
(Partner)
(Membership No. 106189)
UDIN: 21106189AAAAFL3003

Place: Ahmedabad
Date: May 28, 2021

ANNEXURE "B"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings included in property plant and equipment, which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings, whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations received by us from lenders.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. The physical verification of inventories lying with third parties or goods-in-transit is performed by performing alternate procedures such as obtaining confirmations.

(iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales

Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods & Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods & Service Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ In Millions)	Amount Unpaid (₹ In Millions)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal, Ahmedabad	AY 2010-11, 2011-12, 2012-13	36.41	36.41
Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	AY 2010-11, 2013-14, 2017-18	7.82	7.82
Income Tax Act, 1961	Income Tax	The Assessing Officer (AO)	AY 2007-08, AY 2008-09	10.83	10.83
Central Sales Tax Act, 1956	Sales Tax	Central Excise & Service Tax Tribunal	FY 2006-07, 2007-08, 2008-09	3.85	2.37
Finance Act, 1994	Service Tax	Central Excise & Service Tax Tribunal	FY 2016-17, 2017-18	12.73	10.31
Finance Act, 1994	Service Tax	The Commissioner (Appeals)	FY 2011-12, 2013-14	1.97	0.93

According to the information and explanations given to us, there are no dues of Customs Duty that have not been deposited as on March 31, 2021 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans from financial institutions and government and not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion, according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
(Partner)
(Membership No. 106189)
UDIN: 21106189AAAAFL3003

Place: Ahmedabad
Date: May 28, 2021

Standalone Balance Sheet

as at March 31, 2021

(₹ in million)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipment	6	1,294.64	811.83
(b) Right of Use Assets	7	152.82	220.04
(c) Capital work-in-progress		26.10	15.99
(d) Goodwill	8	59.32	59.32
(e) Other Intangible Assets	8	260.62	181.23
(f) Intangible assets under development		0.28	0.44
(g) Financial Assets			
(i) Investments	9	1,712.36	218.60
(ii) Others	11	29.61	27.78
(h) Non-current Tax Assets (Net)	12	-	5.77
(i) Other non-current assets	13	71.22	6.57
		3,606.97	**1,547.57**
(2) Current Assets			
(a) Inventories	14	1,126.52	1,109.75
(b) Financial Assets			
(i) Investments	9	6.68	356.63
(ii) Trade Receivables	15	1,129.97	594.68
(iii) Cash & Cash Equivalents	16	286.77	286.77
(iv) Bank balances other than (iii) above	16	31.41	2.75
(v) Loans	10	0.78	0.97
(vi) Others	11	352.39	290.40
(c) Other current assets	13	135.23	120.10
		3,069.75	**2,762.05**
Total Assets		**6,676.72**	**4,309.62**
EQUITY & LIABILITIES			
Equity			
(a) Equity Share Capital	17	29.23	29.23
(b) Other Equity	18	3,544.28	2,681.57
		3,573.51	**2,710.80**
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowing	19	752.02	-
(ii) Lease Liabilities	20	117.53	176.59
(b) Provisions	24	3.49	-
(c) Deferred tax liabilities (Net)	21	45.21	49.82
		918.25	**226.41**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowing	19	148.42	112.26
(ii) Lease Liabilities	20	54.67	55.40
(iii)Trade payables due to			
- Micro & Small Enterprise	22	44.08	20.95
- Other than Micro & Small Enterprise	22	886.70	556.86
(iv) Others	23	339.97	87.63
(b) Provisions	24	71.14	40.80
(c) Current Tax Liabilities (Net)	12	50.25	-
(d) Other current liabilities	25	589.73	498.51
		2,184.96	**1,372.41**
Total Equity & Liabilities		**6,676.72**	**4,309.62**
Summary of Significant Accounting Policies	4 & 5	-	-

The accompanying notes are an integral part of these financial statements.
As per our report of even date annexed

For **Deloitte Haskins & Sells**
Chartered Accountants

Karthikeya Raval
Partner
M.No : 106189

Place : Ahmedabad
Date : May 28, 2021

For and on behalf of the board

Dr. S. Sivaram
Chairman
DIN: 00009900
Pune, May 28, 2021

Tarak Patel
Managing Director
DIN: 00166183
Mumbai, May 28, 2021

Manish Poddar
Chief Financial Officer
FCA098238
Mumbai, May 28, 2021

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 28, 2021

Standalone Statement of Profit & Loss

for the year ended March 31, 2021

(₹ in million)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
Income:			
Revenue from operations	26	6,408.09	5,163.55
Other Income	27	78.89	61.17
Total Income		**6,486.98**	**5,224.72**
Expenses:			
Cost of materials consumed	28	2,637.06	2,386.38
Changes in inventories of finished goods and work in progress	29	103.21	(56.89)
Employee benefits expense	30	699.04	551.06
Finance Cost	31	66.58	34.88
Depreciation and amortisation expense	6&7&8	289.50	200.14
Labour Charges		418.80	337.18
Other Expenses	32	1,013.76	951.61
Total Expense		**5,227.95**	**4,404.36**
Profit before tax		**1,259.03**	**820.36**
Tax expenses:			
Current tax		326.49	202.23
Excess Provision for Tax relating to Prior Years		(13.87)	-
Deferred tax		(4.61)	(3.10)
		308.01	**199.13**
Profit for the year		**951.02**	**621.23**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Actuarial Gain / (loss) on Gratuity and Pension Obligations		(15.22)	(6.90)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Other Comprehensive Income (i-ii)		**(15.22)**	**(6.90)**
Total Comprehensive Income for the year		**935.80**	**614.33**
Earnings Per Equity Share :	40		
Basic		65.06	42.50
Diluted		65.06	42.50
Significant Accounting Policies	4 & 5		

The accompanying notes are an integral part of these financial statements.
As per our report of even date annexed

For **Deloitte Haskins & Sells**
Chartered Accountants

Karthikeya Raval
Partner
M.No : 106189

Place : Ahmedabad
Date : May 28, 2021

For and on behalf of the board

Dr. S. Sivaram
Chairman
DIN: 00009900
Pune, May 28, 2021

Tarak Patel
Managing Director
DIN: 00166183
Mumbai, May 28, 2021

Manish Poddar
Chief Financial Officer
FCA098238
Mumbai, May 28, 2021

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 28, 2021

Standalone Statement Of Cash Flow

for the year ended March 31, 2021

(₹ in million)

		Year ended March 31, 2021	Year ended March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,259.03	820.36
Adjustments for			
Depreciation and Amortisation expenses		289.50	200.14
Net (gain) / loss on sale & discarding of fixed assets		(3.15)	2.47
Net (gain) / loss on Non Current Investments designated as Fair Value Through Profit or Loss		-	0.01
Net (gain) / loss on Current Investments designated as Fair Value Through Profit or Loss		0.32	(12.12)
Net (gain) / loss on sale of Current Investments		0.90	7.97
Interest Income		(33.00)	(1.65)
Interest and financial charges		66.58	34.88
Dividend Income		-	(0.03)
Provision for doubtful debts, liquidated damages and advances		39.95	13.23
Provision for warranty		21.56	4.85
Unrealised foreign exchange fluctuation loss/(gain)		9.13	(2.70)
Actuarial Gain /(loss) on Gratuity reclassified in OCI		(15.22)	(6.90)
Operating profit before working capital changes		**1,635.60**	**1,060.51**
Adjustments for :			
(Increase)/ Decrease in Inventories		(16.77)	(79.29)
(Increase)/ Decrease in Trade receivable, loans and other financial & Non financial assets		(648.67)	(213.39)
Increase/ (Decrease) in Trade payables, provisions and other financial & Non financial liabilities		533.20	(36.96)
Cash generated from operations		1,503.36	730.87
Direct Taxes paid		(256.61)	(231.03)
Net cash from operating activities	**A**	**1,246.75**	**499.84**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment, including intangible assets		(848.51)	(307.37)
Proceeds from sale of Property, Plant and Equipment		4.84	2.32
Payment towards acquisition of business		-	(272.27)
Purchase of non-current investments		(1,498.45)	-
Proceeds from sale of current investments		353.55	119.50
Proceeds from sale of non-current investments		-	-
Fixed deposits placed with banks		(31.01)	-
Proceeds from Fixed deposits		-	4.64
Interest received		33.00	1.65
Dividend received		-	0.03
Net cash used in investing activities	**B**	**(1,986.58)**	**(451.50)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Short Term Borrowings		244.66	112.26
Repayment of Short Term Borrowings		(212.26)	-
Proceeds from Long Term Borrowings		897.97	-

Contd.

(₹ in million)

		Year ended March 31, 2021	Year ended March 31, 2020
Payment of Lease Liabilities		(76.77)	(65.14)
Interest paid		(40.74)	(14.14)
Dividend paid		(73.03)	(65.84)
Tax on distributed profits		-	(13.52)
Net cash used in financing activities	**C**	**739.83**	**(46.38)**
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	A+B+C	-	**1.96**
Cash and Cash equivalents at the beginning of the year		286.77	284.81
Cash and Cash equivalents at the end of the year		**286.77**	**286.77**
COMPONENTS OF CASH AND BANK BALANCES			
Cash and Cash Equivalent			
Balances with banks			
- In current accounts		156.45	51.60
- In deposit accounts (Less than three months maturity)		130.00	234.60
Cash on hand		0.32	0.57
Total		**286.77**	**286.77**
Other Bank Balances			
In unpaid dividend accounts - Earmarked balances		2.47	2.52
Fixed deposits with original maturity more than three months and less than twelve months (including margin money deposit as at 31.03.21 ₹ 25.23 million and as at 31.03.20 ₹ 0.06 million lodged against bank guarantee and letter of credit)		28.94	0.23
Cash and Bank Balances at the end of the year		**318.18**	**289.52**

Disclosure as per para 44A as set out in Ind AS 7 on cash flow statement under companies (Indian Accounting Standards) Rules, 2015 (as amended):

Particulars of liabilities arising from financing activities	**Note No.**	**Year ended March 31, 2020**	**Net cash flows**	**Non cash changes***	**Year ended March 31, 2021**
Borrowings:					
Long term borrowings incldluing current maturities of long term borrowing	19 & 23	-	897.97	7.29	905.26
Short term borrowings	19	112.26	32.40	3.76	148.42
Interest accrued on borrowings	23	-	-	4.88	4.88
Lease liabilities	20	231.99	(76.77)	16.98	172.20

* The same relates to amount charged in Statement of Profit & Loss.

The statement of Cash Flow has been prepared under the "Indirect Method" set out in IND AS 7 statement of Cash Flow.

As per our report of even date annexed

For **Deloitte Haskins & Sells**
Chartered Accountants

Karthikeya Raval
Partner
M.No : 106189

Place : Ahmedabad
Date : May 28, 2021

For and on behalf of the board

Dr. S. Sivaram
Chairman
DIN: 00009900
Pune, May 28, 2021

Tarak Patel
Managing Director
DIN: 00166183
Mumbai, May 28, 2021

Manish Poddar
Chief Financial Officer
FCA098238
Mumbai, May 28, 2021

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 28, 2021

Standalone Statement of changes in equity

for the year ended March 31, 2021

(I) Equity Share Capital

(₹ in million)

Balance at April 1, 2019	**29.23**
Changes during the year	-
Balance at March 31, 2020	**29.23**
Balance at April 1, 2020	**29.23**
Changes during the year	-
Balance at March 31, 2021	**29.23**

(II) i) Other Equity :

(₹ in million)

	Capital Reserve	Securities Premium	General Reserve	Cash Subsidy Reserve	Retained Earnings	Total
Balance at April 1, 2019	**0.02**	**149.28**	**211.27**	**0.69**	**1,786.67**	**2,147.93**
Profit for the year	-	-	-	-	621.23	621.23
Other comprehensive income for the year, net of income tax	-	-	-	-	(6.90)	(6.90)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**614.33**	**614.33**
Transition Impact of Ind AS 116					(1.39)	(1.39)
Payment of dividends	-	-	-	-	(65.78)	(65.78)
Taxes on Dividend	-	-	-	-	(13.52)	(13.52)
Balance at March 31, 2020	**0.02**	**149.28**	**211.27**	**0.69**	**2,320.31**	**2,681.57**
Balance at April 1, 2020	**0.02**	**149.28**	**211.27**	**0.69**	**2,320.31**	**2,681.57**
Profit for the year	-	-	-	-	951.02	951.02
Other comprehensive income for the year, net of income tax	-	-	-	-	(15.22)	(15.22)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**935.80**	**935.80**
Payment of dividends	-	-	-	-	(73.09)	(73.09)
Balance at March 31, 2021	**0.02**	**149.28**	**211.27**	**0.69**	**3,183.02**	**3,544.28**

ii) A description of the purposes of each reserve within equity is disclosed in the Note 18

The accompanying notes are an integral part of these financial statements.
As per our report of even date annexed

For **Deloitte Haskins & Sells**
Chartered Accountants

Karthikeya Raval
Partner
M.No : 106189

Place : Ahmedabad
Date : May 28, 2021

For and on behalf of the board

Dr. S. Sivaram
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Mumbai, May 28, 2021

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Company Secretary
FCS 7848
Mumbai, May 28, 2021

Notes

to Standalone Financial Statements for the year ended March 31, 2021

1 Corporate information

GMM Pfaudler Limited, formerly Gujarat Machinery Manufacturers Limited, ("the Company") was incorporated in India on November 17, 1962. The Company's manufacturing unit is located at Karamsad, Gujarat and Hyderabad, Telangana. The Company's principal activity is the manufacture of corrosion-resistant glass lined equipment used primarily in the chemical, pharmaceutical and allied industries. The Company also manufactures flouro-polymer products and other chemical process equipment such as agitated nutsche filters, filter driers ,wiped film evaporators and mixing systems.

2 Statement of compliance

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) read along with companies (Indian Accounting standard) Rules, as amended and other relevant provisions of the Act.

3 Basis of Preparation of Financial Statements

a) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. (Refer Note no. 4.h1)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

b) Functional and Presentation Currency

The financial statements are presented in Indian Rupees, the currency of the primary economic environment in which the Company operates. All the amounts are stated in rupee million.

4 Significant Accounting Policies

a) Use of Estimates:

The preparation of financial statements are in conformity with the recognition and measurement principles of Ind AS which requires management to make critical judgments, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

1. Useful lives of property, plant and equipment (refer note no. 4.d)
2. Provision for old and obsolete inventory (refer note no. 4.g)
3. Provision for Warranty Expense (refer note no. 4.j)
4. Employee benefits (refer note no. 4.k)
5. Expense Provisions & contingent liabilities (refer note no. 4.n)
6. Provision for Doubtful Trade Receivables (refer note no. 4.h8)
7. Valuation of deferred tax assets (refer note no. 4.o)
8. Impairment of Goodwill (refer note no. 4.c)
9. Lease (refer note no. 4.m)

b) Property, Plant and Equipment and Intangible Assets

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all expenses related to the acquisition and installation of Property, Plant and Equipment which comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses.

Machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant class of assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital Work in Progress:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost comprises direct cost, related incidental expenses and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit & loss.

Intangible Assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

c) Business combination and Goodwill

Business combination:

Business Combination is accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed out in statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition is recognized at their fair values at the acquisition date. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Goodwill:

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

d) Depreciation and Amortisation , Useful life of Property, Plant & Equipment and Intangible Assets

Depreciation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under 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, etc.:

Name Of Assets	Useful life
A) Burning Scaffold and Pilot Plant (included under Plant & Machinery)	3 years
B) Telephones (included under Office Equipment)	3 years
C) Vehicles	6 years
D) Solar Power Plant	10 years

Items costing less than ₹.5000/- are fully depreciated in the year of put to use/ purchase.

Leasehold improvements are amortized equally over the period of lease.

Amortisation:

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Name Of Assets	Useful life
A) Computer Software	3-6 years
B) Technical Knowhow	3 years
C) Backlog	1 years
D) Process Knowhow	10 years
E) Non- Compete agreement	3 years

e) Asset Impairment

The Company assesses at each reporting date using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

f) Foreign Exchange Transactions and Translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognized as income or expense of the period in which they arise. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing rate. The resultant exchange rate differences are recognized in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction.

g) Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined on the weighted average method and is net of tax credits and after providing for obsolescence and other losses. Cost includes all charges in bringing the goods to their existing location and conditions, including various tax levies (other than those subsequently recoverable from the tax authorities), transit insurance and receiving charges. Cost of work-in-progress and finished goods include cost of direct materials consumed, labour cost and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realizable value is the contracted selling value less the estimated costs of completion and the estimated costs necessary to make the sales.

h) Financial Instruments

h1) Investments

Investments in mutual funds are primarily held for the Company's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

The Company measures investment in subsidiaries at cost as per Ind AS 27 - Separate Financial Statements. Transaction costs incurred in connection with investment in subsidiaries are capitalised in the Investment cost.

The Company has not made any irrevocable election to present subsequent changes in the fair value of equity investments, not held for trading, in other comprehensive income as the same are classified as fair value through profit or loss.

h2) Trade Receivables

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognized at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

h3) Cash & Cash Equivalents

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

h4) Loan & Borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

h5) Trade Payables

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

h6) Other financial assets and liabilities

Other non-derivative financial instruments are initially recognized at fair value and subsequently measured at amortized costs using the effective interest method.

h7) De-recognition of financial assets and liabilities

The Company derecognizes a financial asset when the contractual right to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction which substantially all the risk and rewards of ownership of the financial asset are transferred. If the Company retains substantially all the risk and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired; the difference between the carrying amount of derecognized financial liability and the consideration paid is recognized as profit or loss.

h8) Impairment of financial assets

At each balance sheet date, the Company assesses whether a financial asset is to be impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Company measures the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to 12-month expected credit losses. The Company uses both forward-looking and historical information to determine whether a significant increase in credit risk has occurred.

i) Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, acceptance of delivery by the customer, etc.

In respect of fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. The said measurement is carried considering the surveys of performance completed to date and appraisals of results achieved.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and Performance penalty, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Unbilled Revenues are recognised when there is excess of revenue earned over billings on contracts.

Other Income:

Dividend income is recognized when the right to receive the same is established.

Interest income is recognized on accrual basis.

j) Product Warranty Expenses

Provision is made in the financial statements for the estimated liability on account of costs that may be incurred on products sold under warranty. The estimates for the costs to be incurred for providing free service under warranty are determined based on historical information, past experience, average cost of warranty claims that are provided for in the year of sale.

k) Employee Benefits

Employee benefits include provident fund, superannuation fund, family pension fund, gratuity fund and compensated absences.

Defined contribution plans

The Company's contribution to provident fund, family pension fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit & loss. Past service cost is recognised in statement of profit & loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in statement of profit & loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the standalone balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, sick leave and other short term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of long-term employee benefits in form of compensated absences are measured at the present value of the estimated future cash outflows

Notes to Standalone Financial Statements for the year ended March 31, 2021

expected to be made by the Company in respect of services provided by employees up to the reporting date.

l) Operating Expenses

Operating Expenses are charged to statement of Profit and Loss on accrual basis.

m) Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

n) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability is not recognized but its existence is disclosed in the financial statements. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable in the financial statements.

o) Taxation

Tax expense comprise of current and deferred tax. Current income tax comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in jurisdictions where such operations are domiciled.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred tax are recognised in statement of profit & loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the Company intends to settle the asset and liability on a net basis. The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

p) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

q) Operating Cycle:

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of product and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

Notes to Standalone Financial Statements for the year ended March 31, 2021

r) Research and development expenses:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipments.

s) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

5 Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Note: 6 Property, Plant & Equipment

(₹ in million)

Class Of Assets	Gross Block				Depreciation				Net Block
	As On April 1, 2020	Additions	Deductions	As On March 31, 2021	Upto April 1, 2020	For The Year	On Deduc-tions	Upto March 31, 2021	As On March 31, 2021
Freehold Land (Refer Note 42)	2.32	382.85	-	385.17	-	-	-	-	385.17
Leasehold improvement	75.58	0.50	-	76.08	17.93	15.47	-	33.40	42.68
Buildings (Refer Note 42)	310.56	48.43	-	358.99	29.58	41.79	-	71.37	287.62
Plant & machineries (Refer Note 42)	562.20	192.40	9.22	745.38	188.18	83.00	7.86	263.32	482.06
Office Equipment	63.36	17.05	0.27	80.14	20.97	11.81	0.26	32.52	47.62
Furniture & Fixtures	15.64	4.87	-	20.51	4.58	1.95	-	6.53	13.98
Vehicles	59.16	4.67	3.60	60.23	15.75	12.24	3.27	24.72	35.51
Total	**1,088.82**	**650.77**	**13.09**	**1,726.50**	**276.99**	**166.26**	**11.39**	**431.86**	**1,294.64**

(₹ in million)

Class Of Assets	Gross Block				Depreciation				Net Block
	As On April 1, 2019	Additions	Deductions	As On March 31, 2020	Upto April 1, 2019	For The Year	On Deduc-tions	Upto March 31, 2020	As On March 31, 2020
Freehold Land	2.32	-	-	2.32	-	-	-	-	2.32
Leasehold Improvement	28.31	47.27	-	75.58	5.77	12.16	-	17.93	57.65
Buildings	250.57	66.85	6.86	310.56	23.56	10.55	4.53	29.58	280.98
Plant & Machineries	369.68	200.28	7.76	562.20	137.42	58.19	7.43	188.18	374.02
Office Equipment	52.25	18.35	7.24	63.36	16.98	11.21	7.22	20.97	42.39
Furniture & Fixtures	9.16	7.36	0.88	15.64	2.97	2.38	0.77	4.58	11.06
Vehicles	57.92	8.10	6.86	59.16	8.14	12.44	4.83	15.75	43.41
Total	**770.21**	**348.21**	**29.60**	**1,088.82**	**194.84**	**106.93**	**24.78**	**276.99**	**811.83**

Note: 7 Right Of Use Assets

(₹ in million)

Class Of Assets	Gross Block				Depreciation				Net Block
	As On April 1, 2020	Additions	Deductions	As On March 31, 2021	Upto April 1, 2020	For The Year	On Deduc-tions	Upto March 31, 2021	As On March 31, 2021
Land And Buildings	274.52	5.55	20.00	260.07	54.48	63.79	11.02	107.25	152.82
Total	**274.52**	**5.55**	**20.00**	**260.07**	**54.48**	**63.79**	**11.02**	**107.25**	**152.82**

(₹ in million)

Class Of Assets	Gross Block				Depreciation				Net Block
	As On April 1, 2019	Additions	Deductions	As On March 31, 2020	Upto April 1, 2019	For The Year	On Deduc-tions	Upto March 31, 2020	As On March 31, 2020
Land And Buildings	-	274.52	-	274.52	-	54.48	-	54.48	220.04
Total	**-**	**274.52**	**-**	**274.52**	**-**	**54.48**	**-**	**54.48**	**220.04**

Notes to Standalone Financial Statements for the year ended March 31, 2021

Note: 8 **Intangible Assets**

(₹ in million)

Class Of Assets	Gross Block				Amortisation				Net Block
	As On April 1, 2020	Additions	Deductions	As On March 31, 2021	Upto April 1, 2020	For The Year	On Deductions	Upto March 31, 2021	As On March 31, 2021
Computer Software	82.01	19.98	-	101.99	37.56	15.09	-	52.65	49.34
Technical Knowhow	2.23	-	-	2.23	1.05	0.17	-	1.22	1.01
Backlog	4.27	-	-	4.27	3.98	0.29	-	4.27	0.00
Process Knowhow	120.67	-	-	120.67	11.26	12.06	-	23.32	97.35
Non- Compete agreement	37.59	118.86	-	156.45	11.69	31.84	-	43.53	112.92
Goodwill	59.32	-	-	59.32	-	-	-	-	59.32
Total	**306.09**	**138.84**	**-**	**444.93**	**65.54**	**59.45**	**-**	**124.99**	**319.94**

(₹ in million)

Class Of Assets	Gross Block				Depreciation				Net Block
	As On April 1, 2019	Additions	Deductions	As On March 31, 2020	Upto April 1, 2019	For The Year	On Deductions	Upto March 31, 2020	As On March 31, 2020
Computer Software	81.40	4.48	3.87	82.01	29.64	11.78	3.86	37.56	44.45
Technical Knowhow	1.03	1.20	-	2.23	1.03	0.02	-	1.05	1.18
Backlog	-	4.27	-	4.27	-	3.98	-	3.98	0.29
Process Knowhow	-	120.67	-	120.67	-	11.26	-	11.26	109.41
Non- Compete agreement	-	37.59	-	37.59	-	11.69	-	11.69	25.90
Goodwill	-	59.32	-	59.32	-	-	-	-	59.32
Total	**82.43**	**227.53**	**3.87**	**306.09**	**30.67**	**38.73**	**3.86**	**65.54**	**240.55**

Notes:

1. There are no adjustment to Property, Plant & Equipment and Intangible assets on account of borrowing costs and exchange differences.
2. Refer note 19 for details of Charge/ pledge on above assets.

Depreication and Amortisation Expense

(₹ in million)

Particulars	For The Year Ended March 31, 2021	For The Year Ended March 31, 2020
Depreciation of Property, Plant and Equipment	166.26	106.93
Depreciation on Right to Use Assets	63.79	54.48
Amortisation of Intangible Assets	59.45	38.73
Total depreciation and amortisation Expense	**289.50**	**200.14**

Note: 9 Investments

(₹ in million)

(i) Non Current	Face value	Qty As At March 31, 2021	Amount As At March 31, 2021	Qty As At March 31, 2020	Amount As At March 31, 2020
Equity Shares (unquoted)					
Subsidiary Companies (at cost)					
GMM Mavag AG (Face Value CHF 1,000)	1,000	5,000	213.90	5,000	213.90
GMM International S.a.r.l (Face Value USD 0.01) #	0.01	18,836,339	1,498.45	-	-
Shares in Co-operative Societies (unquoted) (at fair value)					
Charotar Gas Sahakari Mandali Ltd.	500	10	0.01	10	0.01
Equity Shares (unquoted)					
Futura Polyster Ltd *	10	100	0.00	100	0.00
			0.01		**0.01**
Government Securities (quoted) (at fair value)					
Indian Railway Finanace Corp. Bonds	1,000	-	-	4,350	4.69
Total Investments			**1,712.36**		**218.60**
Aggregate of quoted investments			-		4.69
Aggregate of unquoted investments			1,712.36		213.91

(* Unit 100 and Value ₹ 385/-)

The Company announced on August 20, 2020 signing of definitive agreements to acquire a majority stake in the global business of its parent, the Pfaudler Group ("Pfaudler") from the private equity firm Deutsche Beteiligungs AG Fund VI ("DBAG") through its Subsidiary GMM International S.a.r.l. As per the agreements, the Company has initially acquired 13,61,139 shares at USD 0.01/share and after that acquired 17,475,200 units of convertibale debentures at USD 1/ unit which is subsequently converted into Equity Shares in the ratio of 1:1. The Investment includes acquisition cost incurred amounting to ₹ 201.83 million.

(₹ in million)

(ii) Current	Face value	No. of Units As At March 31, 2021	Amount As At March 31, 2021	No. of Units As At March 31, 2020	Amount As At March 31, 2020
In Units of mutual Funds, Unquoted (at fair value)					
Aditya Birla Sun Life Credit Risk Fund - Gr. REGULAR (formerly known as Aditya Birla Sun Life Corporate Bond)	10	-	-	5,047,117	70.88
ICICI Prudential Short term - Growth Option	10	-	-	1,369,318	57.74
Tata Short Term Bond Fund Regular Plan - Growth	10	-	-	1,358,581	48.06
Aditya Birla Sun Life Short Term Opportunities fund Regular Plan - Growth	10	-	-	3,097,541	102.76

Contd.

Notes to Standalone Financial Statements for the year ended March 31, 2021

(₹ in million)

(ii) Current	Face value	No. of Units As At March 31, 2021	Amount As At March 31, 2021	No. of Units As At March 31, 2020	Amount As At March 31, 2020
Reliance Strategic Debt Fund- Growth Plan	10	-	-	-	-
L&T Credit Risk Fund - Growth	10	-	-	2,507,165	54.24
Aditya Birla Sun Life Money Manager Fund Gr (formerly known as Birla Sun Life Floating Rate Fund STP Growth)	10	-	-	76,634	20.63
Aditya Birla Sun Life Credit Risk Fund - Growth Regular - (Segregated Portfolio 1)	10	5,047,117	2.01	5,047,117	2.10
Nippon India Strategic Debt Fund - Segregated Portfolio 1 - Growth Plan*	10	4,243,461	0.17	4,243,461	0.22
Nippon India Strategic Debt Fund - Segregated Portfolio 2 - Growth Plan*	10	4,243,461	-	4,243,461	-
Government Securities (quoted) (at fair value)					
Indian Railway Finanace Corp. Bonds	1,000	4,350	4.50		-
			6.68		**356.63**

* The Board of directors of Nippon Life India Trustee Limited have approved the creation of segregated portfolio of securities w.e.f. March 6, 2020 and allotted equal number of units in the second segregated portfolio as held in main portfolio.

Category wise classification of investments - as per Ind AS 109

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Financial assets carried at fair value through profit or loss (FVTPL)		
i) Mandatorily measured at FVTPL (Investment in mutual fund)	6.68	356.63
ii) Designated as at FVTPL (Investment in equity instruments and government securities)	0.01	4.70
	6.69	**361.33**

Note: 10 **Loans**

Particulars	As At March 31, 2021	As At March 31, 2020
Current		
(Unsecured)		
Loans to employees	0.78	0.97
	0.78	**0.97**

Note: 11 Other Financial Assets

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
(i) Non Current		
Security Deposits (including considered doubtful as at 31.03.21 ₹ 0.69 million, as at 31.03.20 ₹ 0.69 million)	27.53	28.00
Less : Provision for doubtful security deposits	0.69	0.69
Fixed deposits with original maturity more than twelve months (including margin money deposit lodged against bank guarantee and letter of credit)	2.77	0.47
	29.61	**27.78**
(ii) Current		
Security Deposits	2.81	-
Accrued income	2.81	1.89
Unbilled Revenue (Net of Advance from customers)	346.77	288.51
	352.39	**290.40**

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Contracts in Progress at the end of reporting Period		
1. Contract Revenue Recognise as per Percentage of Completion Method	94.06	104.80
2. Contract Cost Incurred up to the reporting date	37.91	95.96
3. Recognised Profit (1-2)	56.15	8.84
4. Progress billings	-	-
Balance at the end of the year		
5. Recognised and Included in Financial Statements as amounts due:		
(i) Amounts due from Customers under construction contracts	412.57	318.51
(ii) Amounts due to Customers under construction contracts	-	-
6. Retentions held by customer	-	-
7. Advances received from customers	65.80	30.00

Note: Since the original expected duration of contracts entered by the Company is one year or less, management expects to recognise revenue with respect to unsatisfied / partially satisfied performance obligations, within twelve months from the date of balance sheet.

Note: 12 (Current Tax Liabilities) /Non-current Tax Assets

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Provision for Income Tax	878.41	535.39
Advance payment of Tax	828.16	541.16
	(50.25)	**5.77**

Notes to Standalone Financial Statements for the year ended March 31, 2021

Note: 13 Other Assets

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
(i) Non Current		
Capital Advances (Unsecured, Considered Good)	71.22	3.52
Balances with indirect tax authorities	3.05	3.05
Less: Provision for doubtful balance with indirect tax authorities	3.05	-
	71.22	**6.57**
(ii) Current		
Balances With Indirect Tax Authorities	58.97	82.43
Less: Provision for doubtful balance with indirect tax authorities	3.95	-
Prepaid Expenses	23.86	18.98
Advance to Suppliers (Unsecured, Considered Good)	36.37	17.02
Employee Advances	0.09	0.76
Export Benefit Receivable	19.37	0.22
Others	0.52	0.69
	135.23	**120.10**

Note: 14 Inventories

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
(Valued at lower of cost and net realisable value)		
Raw materials (including in transit as at 31.03.21 ₹ 15.30 million and as at 31.03.20 ₹ 5.83 million)	571.91	462.72
Work-in-progress	329.40	480.72
Finished goods (including in transit as at 31.03.21 ₹ 88.18 million and as at 31.03.20 ₹ 18.74 million)	166.37	118.26
Stores and spares	58.84	48.05
	1,126.52	**1,109.75**

(Inventories are hypothecated as security for borrowings as disclosed under Note 19).

Note: 15 Trade receivables

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Unsecured, Considered good	1,248.87	673.63
Less : Allowance for doubtful debts	118.90	78.95
	1,129.97	**594.68**

(Trade Receivables are given as security for borrowings as disclosed under note 19).

(₹ in million)

Movement in the expected credit loss allowance	Year Ended March 31, 2021	Year Ended March 31, 2020
Balance at beginning of the year	**78.95**	**65.72**
Add : Provision made during the year	43.19	27.34
Less : Provision used during the year	3.24	14.11
Balance at the end of the year	**118.90**	**78.95**

Note: 16 **Cash and Bank Balances**

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Cash and Cash Equivalents		
Balances with banks		
In current accounts	156.45	51.60
In deposit accounts with Original maturity less than three months	130.00	234.60
Cash and stamps on hand	0.32	0.57
	286.77	**286.77**
Other Bank Balances		
Fixed deposits with original maturity more than three months and less than twelve months (including margin money deposit lodged against bank guarantee and letter of credit)	28.94	0.23
In unpaid dividend accounts - Earmarked balances	2.47	2.52
	31.41	**2.75**

Note: 17 **Equity Share Capital**

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Authorised		
25,000,000 (PY 25,000,000) Equity shares of ₹ 2/- each	50.00	50.00
Issued, Subscribed and Paid-up		
14,617,500 (PY 14,617,500) Equity shares of ₹ 2/- each fully paid up	29.23	29.23
Total	**29.23**	**29.23**

a Reconciliation of equity shares outstanding at the beginning and end of the reporting year

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Equity Shares:		
At the Beginning of the year	29.23	29.23
Changes in equity share capital during the year	-	-
Balance at the end of the year	**29.23**	**29.23**

b Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Standalone Financial Statements for the year ended March 31, 2021

c Details of shareholders holding more than 5% shares in the company

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
Pfaudler Inc.	47,76,736	32.68%	73,72,475	50.44%
Millars Machinery Co. Pvt. Limited	12,95,595	8.86%	16,25,595	11.12%

d Buyback of Shares ,Bonus Shares and Shares issued for Consideration other than cash.

The Company has not bought back any shares, neither has it issued bonus shares nor has it issued shares for consideration other than cash in the past five years.

Note: 18 **Other Equity**

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Capital Reserve		
Balance at the beginning of the year	0.02	0.02
Movement during the year	-	-
Balance at the end of the year	**0.02**	**0.02**
Cash Subsidy Reserve		
Balance at the beginning of the year	0.69	0.69
Movement during the year	-	-
Balance at the end of the year	**0.69**	**0.69**
Securities Premium		
Balance at the beginning of the year	149.28	149.28
Movement during the year	-	-
Balance at the end of the year	**149.28**	**149.28**
General Reserve:		
Balance at the beginning of the year	211.27	211.27
Add: Transfer from Statement of Profit and Loss account	-	-
Balance at the end of the year	**211.27**	**211.27**
Surplus in Statement of Profit and loss		
Balance at the beginning of the year	2,320.31	1,786.67
Add : Net Profit for the year	935.80	614.33
Less : Appropriations		
Interim Dividend [Dividend Per Share ₹ 3.0, (Previous Year ₹ 3.0)]	43.85	43.85
Final Dividend [Dividend Per Share ₹ 2, (Previous Year ₹ 1.5)]	29.24	21.93
Tax on distributed profits	-	13.52
Transition Impact of Ind AS 116	-	1.39
Balance at the end of the year	**3,183.02**	**2,320.31**
	3,544.28	**2,681.57**

Nature and Purpose of Reserves

General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the Statement of Profit & Loss.

Securities Premium

Securities Premium represents Security Premium received at the time of issuance of Equity Shares. Such amount is available for utilisation in accordance with the provisions of the Companies Act, 2013.

Note: 19 Borrowings

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Long Term Borrowings		
i. Non- current		
Secured (at amortised cost)		
Term Loan from Bank (Refer Note : 1 & 2)	752.02	-
	752.02	**-**
ii. Current		
Secured (at amortised cost)		
Term Loan from Bank (Refer Note:3)	153.24	-
	153.24	**-**
Total Long Term Borrowoings (i)	**905.26**	**-**
iii. Short Term Borrowings		
Unsecured (at amortised cost)		
Working Capital Loans repayable on demand from Banks (Refer Note: 4)	148.42	112.26
Total Short Term Borrowings (ii)	**148.42**	**112.26**
Total Borrowings (i+ii)	**1,053.68**	**112.26**

Note :

1 A Rupee Term Loan of ₹ 460 million (Previous Year 2019-20: Nil) is secured by charge over immovable property and Movable property located at Hyderabad. The loan carries interest rate at 7.4% per annum. The Loan is repayable in 17 quarterly instalments each of ₹ 27.06 million commencing from May 2021.

2 External Commercial Borrowing (ECB) facility taken from HSBC Bank of USD 6.0 million (Previous Year FY 20190-20:Nil) is secured by parri passu charge on the Company's karamsad factory ₹ 1420 million, 1st charge by way of hypothecation over all and singular the Borrower's Stocks of Raw Material, Semi-Finished and finished Goods, Stores and Spares not relating to the Plant and Machinery, Bills Receivable, Book Debts and all other movables including machineries, equipments, spares etc. of the Borrower ₹ 700 million. The loan carries interest rate of 3/6 month Libor plus 245 basis point. Repayments will commence on July 2021 and will continue until January 2025. The charge on above securities is in process of registeration with MCA.

3 Installments falling due within a year in respect of all the above Loans aggregating ₹ 153.24 million (March 31, 2020 : Nil) have been grouped under "Current maturities of long-term debt". (Also refer note -23).

4 Working Capital Loans include Foreign currency Loan USD 20,00,000 repayable within one Year bearing Interest rate minimun FCY FTP +125 bps p.a and having benchmark 3/6/Month LIBOR.

Note: 20 Lease Liabilities

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Non Current	117.53	176.59
Current	54.67	55.40
	172.20	**231.99**

Notes to Standalone Financial Statements for the year ended March 31, 2021

(i) Movement in Lease Liabilities

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Opening Balance	231.99	-
Add: Addition Made During the year	5.55	276.39
Add: Finance cost accrued during the year (Refer Note 31)	20.96	20.74
Less: Deletion Made During the year	9.53	-
Less: Payment of Lease Liabilities	76.77	65.14
Closing Balance	**172.20**	**231.99**

(ii) The contractual maturities of Lease liabilities are as under on undiscounted basis:

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Payable within one year	70.45	75.75
Payable later than one year and not later than five years	130.40	205.31
Payable after five years	**-**	**-**

(iii)

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Lease payments recognised for short term leases in Statement of Profit and Loss during the year 2020-21 (Refer Note:32)	2.02	7.43

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet obligations related to lease liabilities as and when they fall due.

Note: 21 Deferred Tax Liabilities

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Deferred tax assets	(14.00)	(13.93)
Deferred tax liabilities	59.21	63.75
Net Deferred Tax Liability	**45.21**	**49.82**

(₹ in million)

Particulars	2020-21			2019-20			
	Opening Balance	Charged to / (Reversed from) Statement of P&L	Closing Balance	Opening Balance	Charged to / (Reversed from) Statement of P&L	Impact on account of Ind AS 116	Closing Balance
Deferred tax liabilities / (assets) in relation to:							
Property, Plant and Equipment	47.60	11.05	58.65	49.33	(1.73)	-	47.60
Investments classified as FVTPL	16.15	(15.59)	0.56	17.79	(1.64)	-	16.15
Provision for Doubtful debt	(10.86)	(0.64)	(11.50)	(13.72)	2.86	-	(10.86)
Lease Liabilities	(3.07)	0.57	(2.50)	-	(2.59)	(0.48)	(3.07)
	49.82	**(4.61)**	**45.21**	**53.40**	**(3.10)**	**(0.48)**	**49.82**

(a) Numerical Reconciliation between average effective tax rate and applicable tax rate :

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Profit Before tax from Continuing Operations	1,259.03	820.36
Income Tax using the Company's domestic Tax rate #	316.90	210.26
Tax Effect of :		
- Non deductible Expenses	82.02	59.83
- Tax - Exempt income	-	-
- Deduction on account of Expenses allowable in Tax but not claimed in book	(73.22)	(62.95)
- Tax impact on Income charged under Capital Gain/Other Income	2.48	-
- Changes in recognised deductible temporary differences	(3.78)	10.66
- Changes in recognised deductible temporary differences due to change in rate of tax	(0.84)	(14.24)
- Tax impact on notional income / expense	(1.68)	(4.43)
- Excess Provision for Tax relating to Prior Years	(13.87)	-
Income Tax recognised in Statement of Profit & Loss from Continuing Operations (Effective Tax Rate)	**308.01**	**199.13**

The Tax rate used for FY21 and FY20, in reconciliation above is the corporate tax rate of 25.17% and 25.63% payable by corporate entity in India on taxable profits under the Indian Tax Law

(b) Income Tax Expense

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Tax:		
Current Income Tax Charge	326.49	202.23
Excess Provision for Tax relating to Prior Years	(13.87)	-
Deferred Tax		
Deferred Tax Charge for the year	(4.61)	(3.10)
Total Tax Expense recognised in statement of profit and loss	**308.01**	**199.13**

Note: 22 Trade Payables

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Dues to Micro, Small and Medium Enterprises (Refer Note 41)	44.08	20.95
Dues to other Creditors	886.70	556.86
	930.78	**577.81**

Notes to Standalone Financial Statements for the year ended March 31, 2021

Note: 23 Other Financial Liabilities

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Current		
Unclaimed Dividend (Refer Note below)	2.47	2.52
Payables for Capital Expenditure	20.82	2.06
Employee benefits payable	158.56	83.05
Interest accrued	4.88	-
Current Maturities of Long term Borrowings (Refer Note: 19)	153.24	-
	339.97	**87.63**

Note:

The amount of Unclaimed Dividend reflects the position as at March 31, 2021. During the year, the company has transferred an amount of ₹ 0.30 million (Previous year ₹ 0.27 million) to the Investors' Education and Protection Fund in accordance with the provisions of section 125 of the Companies Act, 2013.

Note: 24 Provisions

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Non- Current		
Provision for employee benefits (Note (i))	3.49	-
	3.49	**-**
Current		
Provision for employee benefits (Note (i))	29.81	21.03
Provision for unexpired warranty (Note (ii))	41.33	19.77
	71.14	**40.80**

Note

(i) Provision for employee benefits includes amount payable to employees on account of Gratuity and compensated absences. Movement of Provision for employee benefits is disclosed under Note 35.

(ii) As per the contractual terms with customers, the Company provides warranty to the customers for 18 months from date of sales or 12 months from date of installation which ever is earlier. The provision is made for such returns/rejections on the basis of historical warranty trends as per the policy of the Company.

(₹ in million)

Provision for unexpired warranty	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	19.77	14.92
Add: Additional provision made during the year	59.24	22.68
Less: Provision used during the year	37.68	17.83
Closing balance	**41.33**	**19.77**

Note: 25 Other Liabilities

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Current		
Advances from customers (Net of advances related to unbilled revenue)	563.93	487.60
Statutory dues payable	25.80	10.91
	589.73	**498.51**

Note: 26 Revenue from Operations

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Revenue from Sale of Products	6,346.40	5,118.75
Other Operating Revenues	61.69	44.80
	6,408.09	**5,163.55**

Disaggregate Revenues from contracts with customer :

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Glass lined equipement	4,013.20	3,547.41
Revenue from Heavy Engineering	959.39	502.16
Revenue from Proprietary Product	1,435.50	1,113.98
	6,408.09	**5,163.55**

Reconciliation of Revenue from operations with contract price:

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contract Price	6,521.98	5,201.44
Less : Adjustment made to contract price on account of:		
Sales Return	74.02	13.69
Liqudated Damages	39.87	24.20
	6,408.09	**5,163.55**

Note: 27 Other Income

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income (Gross)		
- Non - current investments	0.35	0.35
- Deposits with banks	22.48	0.91
-Others	10.17	0.39
Dividend Income		
- Current Investments	-	0.03
Net Gain on Investments Classified as FVTPL		
- Current Investments	-	12.12
Other non-operating income		
- Profit on sales of fixed assets (Net)	3.15	-
- Miscellaneous Income	42.74	31.25
Net gain on foreign exchange translations	-	16.12
	78.89	**61.17**

Notes to Standalone Financial Statements for the year ended March 31, 2021

Note: 28 Cost of materials consumed

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Stock of Raw Materials	510.77	488.37
Add: Purchases during the year	2,757.04	2,408.79
	3,267.81	2,897.15
Less: Closing stock of Raw Materials	630.75	510.77
	2,637.06	**2,386.38**

Note: 29 Changes in inventories of finished goods and work-in-progress

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventory of finished good at the beginning of the year	118.26	67.57
Inventory of work in progress at the beginning of the year	480.72	474.52
	598.98	542.09
Inventory of finished good at the closing of the year	166.37	118.26
Inventory of work in progress at the closing of the year	329.40	480.72
	495.77	598.98
	103.21	**(56.89)**

Note: 30 Employee benefits expense

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and Wages	641.79	499.42
Contribution to Provident and Other Funds	37.87	29.73
Staff Welfare Expenses	19.38	21.91
	699.04	**551.06**

Note: 31 Finance costs

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Expense	29.12	2.97
Other financial charges	16.50	11.17
Interest on Lease Liabilities (refer Note 20)	20.96	20.74
	66.58	**34.88**

Note: 32 Other Expenses

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power & Fuel	252.00	251.25
Stores & Spares Consumption	227.07	227.67
Repairs to Machinery	49.04	61.07
Repairs to Buildings	12.52	12.76
Repairs- Others	5.15	4.28
Rent (Refer Note 20)	2.02	7.43
Insurance	22.81	11.79
Rates & Taxes	3.90	3.07
Royalty	36.67	29.97
Travel & Conveyance	19.20	44.62
Communication	10.20	12.25
Bad debts written off	-	0.01
Provision for doubtful debts and advances	3.32	3.12
Provision for Warranty expenses	21.56	4.85
Loss on Sale of Fixed Assets	-	2.47
Net Loss on Sale of Investments - Current Investments	0.90	7.97
Net Appreciation Loss on Sale of Investments - Current Investments	0.32	-
Net Loss on Investments Classified as FVTPL - Non Current Investments	-	0.01
Net loss on foreign exchange translations	4.80	-
Advertisement and sales promotion	8.70	19.39
Commission	5.28	4.40
Legal and professional fees	51.32	51.58
Freight outward	155.48	105.83
Payments to auditors (Refer Note : 34)	6.40	4.36
Expense on CSR activities	12.09	9.44
Miscellaneous Expenses	103.01	72.02
	1,013.76	**951.61**

Note: 33 Contingent Liabilities and Commitments

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
1) Contingent Liabilities not provided for:		
a) Claim against the Company not acknowledged as debts		
i) Disputed demands Relating to Indirect Taxes. - Company has preferred appeal against orders for payement under RCM in respect to Service Tax matter. - Company has filed appeal against Assessment order in respect of Sales Tax matter. Management will reasonbly confindent that no liability will devolve on company and hence no liabilities have recognized in the books of account.	18.55	18.55

Contd.

Notes to Standalone Financial Statements for the year ended March 31, 2021

Particulars	As At March 31, 2021	As At March 31, 2020
ii) Matter decided in favour of the company where the income tax department has preferred appeals. - The Assessing Officer has filed appeal with respect to disallowance of warranty provision for AY 2007-08 and 2008-09. - The company has received order from ITAT Ahmedabad for which ITAT has set aside the issue to CIT (Appeal) in respect of upward adjustment in Arms Length Price for AY 2010-11. - Departement has preferred appeal before ITAT Ahemadabad againt order passed by CIT (Appeal) in respect of upward adjustment in Arms Length Price and disallowance of warranty provision for AY 2011-12 & 2012-13. The management is reasonbly confident that no liability will be arise in future and hence no provision is made in the books of accounts.	52.68	52.68
iii) Disputed demands relating to tax against which the Company has preferred appeals. - The company has received order from ITAT Ahmedabad in which ITAT has set aside the issue to CIT (Appeal) with respect to upward ajdustment of Arms Length Price for AY 2010-11 and the company has filed Misc. application against this order. - The Company has preferred appeal before ITAT Ahemadabad againt order passed by CIT (Appeal) in respect of upward ajdustment of Arms Length Price for AY 2011-12 & 2012-13. - Company has preferred appeal before CIT (Appeal) against the diallowance of education expenditure under Section 143 (3) for AY 2013-14. - Company has preferred appeal before CIT (Appeal) with respect to disallowance of commission paid to non-resident due to non deduction of TDS for AY 2017-18. The management is reasonbly confident that no liability will be arise in future and hence no provision is made in books of account.	2.38	9.40
Note: Against the above, the company has paid ₹ 4.94 million. The expected outflow will be determined at the time of final outcome in respect of concerned matter.		

b) Guarantee :

The company has issued various guarantees for performance, deposits, advances etc. The management basis past history and events has considered the probability for outflow of the same to be remote and accordingly no amount has been disclosed here in contingent liability.

2) Commitments Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	572.55	162.39

Note: 34 Payments to Auditors

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As Auditor		
(i) Statutory Audit fees	4.60	1.85
(ii) Limited review fees	1.50	1.50
(iii) Tax audit fees	0.20	0.20
Other services		
(i) Certification	-	0.24
Reimbursement of out-of-pocket expenses	0.10	0.57
	6.40	**4.36**

Other than the payment made to auditors as mentioned above, the Company has paid ₹ 4 million for Financial and Tax due diligence service availed as part of acquisition of Pfaudler group entities and it is capitalised in Investment cost of GMM International S.a.r.l. (Refer Note 9)

Note: 35 As per Ind AS 19 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

Defined Contribution Plans

The Company operates defined contribution retirement benefit plans for all qualifying employees in the form of provident fund, superannuation fund, family pension fund.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under : (₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Employer's Contribution to Provident Fund	17.36	14.01
Employer's Contribution to Superannuation Fund	5.09	3.05
Employer's Contribution to Pension Scheme	7.54	7.23

Compensated absences and earned leaves

The Company's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy.

Defined Benefit Plans

The Company operates a defined benefit plan in form of gratuity plan covering eligible employees, which provide a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

These plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on planned asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan liability.

In respect of the Defined Benefit Obligation Plan and Compensated absences and earned leaves, the most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at March 31,2021. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

Notes **to Standalone Financial Statements** for the year ended March 31, 2021

The amounts recognized in the Company's financial statements as at the year end are as under:

(₹ in million)

		Gratuity (Funded)		Compensated Absences (Funded)	
		March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
a	**Assumptions :**				
	Discount Rate	6.95%	6.82%	6.95%	6.82%
	Rate of Return on Plan Assets	6.95%	6.82%	6.95%	6.82%
	Salary Escalation	7.0%	6.0%	7.0%	6.0%
	Mortality	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08
	Average Past Service	6.17 Years	6.35 Years	6.67 Years	6.67 Years
	Average Age	36.96 Years	36.31 Years	36.96 Years	36.31 Years
	Rate of Employee Turnover	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a.	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a.	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a.	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a.
		Ultimate Table	**Ultimate Table**	**Ultimate Table**	**Ultimate Table**
b	**Table showing changes in Present value of defined benefit obligation:**				
	Liability at the beginning of the year	67.89	52.50	30.55	21.22
	Interest cost	4.63	4.09	2.08	1.65
	Current service cost	6.58	4.60	2.67	1.98
	Liabilities Transferred in/ Acquisition	-	3.04	-	1.63
	Benefit paid	(6.74)	(2.82)	(1.70)	(1.50)
	Actuarial (gains) and loss arising from changes in demographic assumptions	-	-	-	-
	Actuarial (gains) and loss arising from changes in financial assumptions	8.44	6.48	4.69	3.48
	Actuarial (gains) and loss arising from experience adjustments	6.38	(0.00)	3.65	2.09
	Liability at the end of the year	**87.18**	**67.89**	**41.94**	**30.55**
c	**Change in Plan Assets:**				
	Fair value of Plan Assets at the beginning of the year	56.44	47.83	20.97	17.32
	Expected Return on Plan Assets	3.85	3.73	1.43	1.36
	Assets Transferred in/ Acquisition	-	3.04	-	-
	Contributions	11.96	5.08	9.85	3.91
	Benefit Paid	(6.74)	(2.82)	(1.70)	(1.50)
	Actuarial gain / (loss) on Plan Assets	(0.40)	(0.42)	0.16	(0.12)
	Fair value of Plan Assets at the end of the year	**65.11**	**56.44**	**30.71**	**20.97**

Contd.

(₹ in million)

		Gratuity (Funded)		Compensated Absences (Funded)	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
d	**Actual Return on Plan Assets:**				
	Expected Return on Plan Assets	3.85	3.73	1.43	1.36
	Actuarial gain / (loss) on Plan Assets	(0.40)	(0.42)	0.16	(0.12)
	Actual Return on Plan Assets	**3.45**	**3.31**	**1.59**	**1.24**
e	**Amount Recognized in the Balance Sheet:**				
	Present value of Funded defined benefit obligation at the end of the year	87.18	67.89	41.94	30.55
	Fair value of Plan Assets at the end of the year	65.11	56.44	30.71	20.97
	Net (Liability)/Asset Recognized in the Balance Sheet	**(22.07)**	**(11.45)**	**(11.23)**	**(9.58)**
f	**Expenses Recognized in the Statement of Profit & Loss :**				
	Current Service cost	6.58	4.60	2.67	1.98
	Interest Cost	0.78	0.36	0.65	0.29
	Net Actuarial (gain) / loss to be recognized	15.22	6.90	8.18	5.69
	Expense / (Income) Recognized in Statement of Profit & Loss	**22.58**	**11.86**	**11.50**	**7.96**
g	**Balance Sheet Reconciliation:**				
	Opening Net Liability	11.45	4.67	9.58	3.90
	Expenses recognised in Statement of Profit & Loss	7.36	4.96	11.50	7.96
	Net Liability Transfer In	-	-	-	1.63
	Expenses recognised in OCI	15.22	6.90	-	-
	Employers Contribution	(11.96)	(5.08)	(9.85)	(3.91)
	Net Liability / (Assets) Recognized in Balance Sheet	**22.07**	**11.45**	**11.23**	**9.58**
	Current	**18.58**	**11.45**	**11.23**	**9.58**
	Non Current	**3.49**	**-**	**-**	**-**
h	**Other Details:**				
	Gratuity is payable at the rate of 15 days salary for each year of service Salary escalation is considered as advised by the Company which is in line with the industry practice considering promotion and demand and supply of the employees.				
i	**Experience Adjustment**				
	Actuarial (Gains)/Losses on Obligations - Due to Experience	6.38	(0.00)	3.65	2.09
	Actuarial (Gains)/Losses on Plan Assets - Due to Experience	0.40	0.42	0.16	(0.12)
j	**Projected Contribution for next year**	**18.57**	**15.13**	**15.36**	**12.25**

k **Sensitivity analysis for each significant actuarial assumption**

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below 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. (₹ in million)

Notes to Standalone Financial Statements for the year ended March 31, 2021

(₹ in million)

Particulars	March 31, 2021	March 31, 2020
Projected Benefit obligation on current assumption	87.16	67.89
Impact of increase in discount rate by 1%	(9.51)	(6.67)
Impact of decrease in discount rate by 1%	11.46	7.99
Impact of increase in salary escalation rate by 1%	11.34	7.98
Impact of decrease in salary escalation rate by 1%	(9.59)	(6.77)
Impact of increase in rate of employee turnover by 1%	(0.22)	0.43
Impact of decrease in rate of employee turnover by 1%	0.23	(0.51)

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

l Investment details of plan assets

The Plan assets are managed by Insurance group viz. Life Insurance Corporation of India which has invested the funds substantially as under :

(₹ in million)

Particulars	Gratuity		Leave Encashment	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Insurance Fund	65.11	56.44	30.71	20.97
Total	**65.11**	**56.44**	**30.71**	**20.97**

m. Maturity Profile

(₹ in million)

Particulars	Gratuity	
	As At March 31, 2021	As At March 31, 2020
1st Following Year	4.13	8.34
2nd Following Year	3.26	2.80
3rd Following Year	4.21	3.58
4th Following Year	5.24	3.38
5th Following Year	7.11	4.53
Sum of Years 6 to 10	26.30	20.79
Sum of Years 11 and above	197.67	130.27

n Asset-liability matching strategies :

In respect of gratuity and Leave encashment plan, the Company contributes to the insurance fund based on estimated liability of the next financial year end. The projected liability statement is obtained from the actuarial valuer.

Note: 36 Financial Instruments

36.1 Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity. The primary objective of the Company's capital management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). The Company is not subject to any externally imposed capital requirement.

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
(a) Interest bearing loans and borrowings	1,053.68	112.26
(b) Less: cash and bank balance (including other bank balance)	318.18	289.52
(c) Net debt (a) - (b)	**735.50**	**(177.26)**
(d) Equity share capital	29.23	29.23
(e) Other equity	3544.28	2681.57
(f) Total equity (d) + (e)	**3573.51**	**2710.80**
(g) Total equity and net debt (c) + (f)	**4309.01**	**2533.54**
(h) Gearing ratio (c)/(g)	**17%**	**-7%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

36.2 Categories of Financial Instruments :

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) mandatorily measured		
(i) Investment in mutual fund	6.68	356.63
(b) designated as at FVTPL		
(i) Investment in equity instruments	0.01	4.70
Measured at amortised cost		
(a) Cash and bank balances	318.18	289.52
(b) Other financial assets at amortised cost		
(i) Trade Receivables	1129.97	594.68
(ii) Loans	0.78	0.97
(iii) Others	382.00	318.18
Financial Liabilities		
Measured at amortised cost		
Borrowing	900.44	112.26
Lease Liabilities	172.20	231.99
Trade Payables	930.78	577.81
Others	339.97	87.63

Notes to Standalone Financial Statements for the year ended March 31, 2021

36.3 Financial risk management objectives

The entity's corporate treasury function provides services to the business, coordinates access to domestic and international financial market, monitors and manages the financial risks relating to the operations of the entity through internal risk reports which analyse exposures by degree and magnitude of the risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

36.3.1 Market Risk management

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates, interest rates and underlying investment prices.

The entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and investment prices.

(a) Foreign currency exchange rate risk:

The Company's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than the functional currency of the Company.

Since a major part of the Company's revenue and its costs are in Indian Rupees , any movement in currency rates would not have major impact on the Company's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The carrying amount of Foreign Currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(₹ in million)

Particulars	Currency	(Liabilities)/Assets as at	
		March 31, 2021	March 31, 2020
Trade Payable	USD	(14.03)	0.06
	EUR	(22.67)	(5.01)
	CHF	(0.10)	0.98
	JPY	(13.92)	-
	SAR	(1.51)	-
	GBP	-	(0.32)
Borrowings	USD	(593.68)	-
Cash & Cash Equivalents	USD	32.80	10.93
	EUR	52.76	28.15
Trade Receivable	USD	67.91	2.57
	EUR	33.19	9.21
	CHF	-	(6.77)

With respect to the Company's financial instruments (as given above), a 5% increase / decrease in relation to foreign currency rate on the underlying would have resulted in increase /decrease of ₹ 22.96 million (₹.1.99 million) in the Company's net profit for the year ended March 31, 2021 and March 31, 2020 respectively.

(b) Interest rate risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Company are principally denominated in Indian Rupees and US dollars with mix of fixed and floating rates of interest. These exposures are reviewed by appropriate levels of management at regular interval. The company have outstanding borrowings of ₹ 1,053.68 million and ₹ 112.26 million at the end of March 31, 2021 and March 31, 2020 respectively. As at March 31, 2021, approximately 43.66% of the Company's Borrowings are at fixed rate of interest (March 31, 2020 : 100%).

The impact of increase/decrease of 50 basis points in interest rates would result in increase/decrease of ₹ 0.15 million (₹ 0.01 million) in the Company's net profit for the year ended March 31, 2021 and March 31, 2020 respectively.

(c) Other price risk

The Entity is exposed to price risks arising from its investments which are held for strategic as well as trading purposes.

The sensitivity analysis have been determined based on the exposure to price risks for Investments in equity shares of other companies and mutual funds at the end of the reporting period.

If prices had been 5% higher/lower:

Profit for the year ended March 31, 2021 would increase/decrease by ₹ 0.33 million (for the year ended March 31, 2020 by ₹ 18.07 million) as a result of the change in fair value of investments.

36.3.2 Credit risk management

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables.

All trade receivables are subject to credit risk exposure. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company does not have significant concentration of credit risk related to trade receivables except the details given below for the customers contribute to more than 5% of total outstanding accounts receivable as at any reporting period end.

Customer Name	Year ended March 31, 2021		Year ended March 31, 2020	
	% of total receivables	Amount (in ₹)	% of total receivables	Amount (in ₹)
Deccan Fine Chemicals (I) Pvt. Ltd.	32%	44,89,38,227	26%	17,86,84,891
UPL Limited	8%	11,23,55,786	1%	77,42,253
Hemani Industries Limited	3%	3,84,14,074	5%	3,24,55,957
P.I.Industries Ltd.	2%	2,28,77,957	7%	4,71,67,007

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 1,837.62 million and ₹ 1,564.68 million as at March 31, 2021 and March 31, 2020 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments excluding investments in subsidiary companies, and these financial assets are of good credit quality including those that are past due.

Notes to Standalone Financial Statements for the year ended March 31, 2021

36.3.3 Liquidity risk management:

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Entity's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Entity can be required to pay. The table below include only principal cash flows in relation to non-derivative financial liabilities.

Particulars	Up to 1 year (₹)	1 to 5 years (₹)	5 years and above (₹)
As at March 31, 2021			
Trade payable	930.78	-	-
Other Financial Liabilities	339.97	-	-
Borrowing	148.42	752.02	-
Lease Liabilities	54.67	117.53	-
Total	**1,473.84**	**869.56**	**-**
As at March 31, 2020			
Trade payable	577.81	-	-
Other Financial Liabilities	87.63	-	-
Borrowing	112.26	-	-
Lease Liabilities	55.40	176.59	-
Total	**833.10**	**176.59**	**-**

The following table details the Entity's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Entity's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Up to 1 year (₹)	1 to 5 years (₹)	5 years and above (₹)
Wednesday, March 31, 2021			
Current Investments	6.68	-	-
Trade receivables	1,129.97	-	-
Cash & Cash equivalents	286.77	-	-
Bank balances other than above	31.41	-	-
Current Financial assets-Loans	0.78	-	-
Other Financial Assets	352.39	-	-
Non current Investments	-	0.01	-
Other Non current Financial assets	-	29.61	-
Total	**1,808.00**	**29.62**	**-**
Tuesday, March 31, 2020			
Current Investments	356.63	-	-
Trade receivables	594.68	-	-
Cash & Cash equivalents	286.77	-	-
Bank balances other than above	2.75	-	-
Current Financial assets-Loans	0.97	-	-
Other Financial Assets	290.40	-	-
Non current Investments	-	4.70	-
Other Non current Financial assets	-	27.78	-
Total	**1,532.20**	**32.48**	**-**

Note: 37 Fair Value Measurements

This note provides information about how the Entity determines fair values of various financial assets

Fair Value of the Entity's financial assets and financial liabilities that are measured at fair value on a recurring basis.

(₹ in million)

Financial Assets / financial liabilities	Fair Value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2021	March 31, 2020		
1. Investments in Mutual Funds (Note 9)	6.68	356.63	Level 1	Quoted bid prices in an active market
2. Investments in equity instruments (Unquoted) (Note 9)	0.01	0.01	Level 3	Net asset approach - value per equity share of investment is derived by dividing net assets of company with total no. of equity shares issued by the company
3. Investments in Government Securities (Quoted) (Note 9)	4.50	4.69	Level 1	Quoted bid prices in an active market

Note 1: Significant unobservable inputs for Financial Instruments classified under "Level - 3" Fair Value hierarchy are Net Assets of the investee company as on the date of Fair Valuation.

Note 2: Reconciliation of Level 3 fair value measurements

(₹ in million)

Particulars	Unlisted Equity Instrument
Opening Balance as at April 1, 2019	**0.01**
Total Gain/(Loss) in statement of Profit & Loss	-
Closing Balance as at March 31, 2020	**0.01**
Closing Balance as at April 1, 2020	**0.01**
Total Gain/(Loss) in statement of Profit & Loss	-
Closing Balance as at March 31, 2021	**0.01**

Note: 38 Related Party Disclosures

(I) List of Related parties

(a) Parties where control exists:		
(i) Ultimate Holding Company		
Pfaudler International S.a.r.l	Upto 31/01/2021	
(ii) Holding Company		
Pfaudler Inc.	Upto 31/01/2021	
(b) Subsidiary Companies		
GMM International S.a.r.l	w.e.f 20/08/2020	
Mavag AG		
Pfaudler GMBH		Subsidiary of GMM International S.a.r.l w.e.f 01/02/2021
Edlon PSI Inc.		
Suzhou Pfaudler Glass Lined Equipment Co. Ltd.		
Pfaudler s.r.l.		
Pfaudler Limited		
Pfaudler LtdA, Brazil		
Pfaudler Services Benelux B.V		

Contd.

Notes to Standalone Financial Statements for the year ended March 31, 2021

Pfaudler Normag System GMBH		Subsidiary of GMM International S.a.r.l w.e.f 01/02/2021
Pfaudler (Changzhou) Process		
Pfaudler Interseal Gmbh		
Glasteel Parts and Services, Inc. United States		
Pfaudler Private Limited Singapore		
Pfaudler S.A. de C.V. Mexico		
Pfaudler France S.à r.l. France		
GMM Pfaudler US Inc. United States		
(c) Fellow Subsidiaries		
Pfaudler GMBH	Upto 31/01/2021	
Pfaudler Balfour Ltd.		
Edlon PSI Inc.		
Suzhou Pfaudler Glass Lined Equipment Co. Ltd.		
Glasteel Parts and Services, Inc. United States		
Pfaudler s.r.l.		
Pfaudler Limited		
Pfaudler Rochester,USA		
Pfaudler Process Solution Group U.K. Limited		
Pfaudler LtdA, Brazil		
Normag Labournd Prozees Technik GMBH		
Interseal Dipl. - Ing. Rofl Schmitz GMBH		
Pfaudler Services Benelux B.V		
Pfaudler Normag System GMBH		
Pfaudler Interseal Gmbh		
(d) Key management personnel		
Mr. Tarak A. Patel	Managing Director	
Mr. Ashok C. Pillai	Chief Operating Officer	
Mr. Manish Poddar	Chief Integration Officer	from 21/10/2020 to 19/01/2021
Mr. Manish Poddar	Chief Financial Officer	w.e.f 20/01/2021
Ms. Mittal Mehta	Company Secretary	
Mr. Jugal Sahu	Chief Financial Officer	Upto 19/01/2021
(e) Relative of Key management personnel		
Mr. Ashok J Patel	Father of Mr. Tarak A. Patel	
Mrs. Urmi A. Patel	Mother of Mr. Tarak A. Patel	
Mrs. Uttara G. Gelhaus	Sister of Mr. Tarak A. Patel	
Mrs. Payal T. Patel	Wife of Mr. Tarak A. Patel	
(f) Enterprises over which key managerial personnel have significant influence		
Skyline Millars Ltd.		
Ready Mix Concrete Ltd.		
Ashok J Patel - HUF		
A J Patel Charitable Trust		
JV Patel & Co.		
Prestige Tefparts Private Ltd		
Millars Concrete Technologies Private Ltd		
Solaris Chemtech Industries Ltd		

(ii) Transactions with related parties

(₹ in million)

Transaction	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Key Management Personnel		Relative of Key Management Personnel		Other Related Parties	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Purchase of goods	-	-	18.05	1.24	29.40	33.97	-	-	-	-	-	6.68
Sale of goods	11.03	170.29	209.21	114.82	192.38	151.57	-	-	-	-	0.41	-
Services received	-	2.44	1.69	0.82	-	0.08	-	-	-	-	0.30	-
Services provided	1.91	5.89	0.58	0.98	0.13	4.47	-	-	-	-	-	-
Royalty	29.19	29.97	7.48	-	-	-	-	-	-	-	-	-
Lease Rent paid	-	-	-	-	-	-	-	-	-	-	58.05	57.23
Remuneration*	-	-	-	-	-	-	93.84	64.18	-	-	-	-
Dividend paid	31.67	33.18	-	-	-	-	0.87	0.79	3.98	3.59	2.65	2.39
Directors Sitting Fees	-	-	-	-	-	-	7.15	3.90	-	-	-	-
Investment Made	-	-	1,296.62	-	-	-	-	-	-	-	-	-
Repayment of Loan	-	-	-	-	-	-	-	-	-	-	-	-
Balance outstanding#												
Payables	-	-	74.47	-	-	7.35	49.29	36.40	-	-	0.18	-
Receivables	-	20.95	57.47	0.98	-	26.27	-	-	-	-	-	-
Advance Received	-	0.05	87.63	24.07	-	10.56	-	-	-	-	4.49	-
Investment	-	-	1,510.52	-	-	-	-	-	-	-	-	-
Deposit outstanding	-	-	-	-	-	-	-	-	-	-	24.15	23.70

Balance outstanding are exclusive of unrealised foreign exchange gain / (loss)

* Additional remuneration of ₹ 6.08 million is proposed to be paid to the Managing Director for the FY21 subject to the approval of shareholders at the ensuing Annual General Meeting (for additional details kindly refer to explanatory note to item no. 8 of the Notice of AGM).

Notes to Standalone Financial Statements for the year ended March 31, 2021

(Ii) Significant Related Party Transactions are as under:

(₹ in million)

Nature of transactions	Name of Party	Year Ended March 31, 2021	Year Ended March 31, 2020
Purchase of goods	Pfaudler GMBH	29.36	27.68
	Mavag AG	5.92	1.24
	GMM Pfaudler US Inc. United States	7.00	-
	Pfaudler Interseal Gmbh	4.70	-
	Oerlikon Textile India Pvt.Ltd	-	6.68
	Pfaudler Normag System GmbH	-	5.50
Sale of goods	Mavag AG	183.60	114.82
	Pfaudler Inc.	11.04	170.29
	Pfaudler S.r.l	173.08	57.58
Services received	Pfaudler S.r.l	0.52	0.02
	Pfaudler Gmbh	1.17	0.06
	Millars Concrete Technologies Private Ltd	0.30	-
	Mavag AG	-	0.82
	Pfaudler Inc.	-	2.44
Services provided	Mavag AG	0.58	-
	Pfaudler Inc.	1.91	5.89
	Suzoh Pfaudler	-	4.13
Lease rent paid	Ready Mix Concrete . Ltd.	29.19	28.89
	J V Patel & Co.	27.22	27.22
Royalty	Pfaudler Inc.	29.19	29.97
	GMM Pfaudler US Inc. United States	7.48	-
Remuneration paid	Mr. Tarak A. Patel	66.14	42.27
	Mr. Ashok Pillai	12.91	11.45
	Mr. Jugal Sahu (upto 20th January 2021)	6.49	8.20
	Mr. Manish Poddar (from 21st October 2020)	4.90	-
Dividend paid	Pfaudler Inc	31.67	33.18
Investment Made	GMM International S.a.r.l	1,296.62	-
Balances outstanding as on March 31, 2021			
Payables	GMM Pfaudler US Inc. United States	66.54	-
	Pfaudler GMBH	1.17	7.35
Receivables	Mavag AG	8.36	0.98
	Pfaudler s.r.l	31.68	9.38
	Pfaudler Inc	-	20.95
Advance Received Against Order	Mavag AG	65.27	24.07
	GMM Pfaudler US Inc. United States	17.20	-
	Pfaudler s.r.l	-	10.56
Deposit outstanding	Ready Mix Concrete . Ltd.	12.30	12.30
	J V Patel & Co.	11.40	11.40
Investment	GMM International S.a.r.l	1,296.62	-
	Mavag	213.90	213.90
Key Managerial Personal			
Payable	Mr. Tarak A. Patel	44.30	32.25
	Mr. Ashok Pillai	3.64	2.82
	Mr. Jugal Sahu	0.75	1.05

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

(₹ in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Short-term employee benefits	98.26	65.07
Post-employment benefits	2.61	2.89
Other long-term benefits	0.12	0.12
Total	**100.99**	**68.08**

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Note: 39 Corporate Social Responsibility (CSR) Expenditure

Expenditure related to CSR as per section 135 of Companies Act, 2013 read with schedule VII thereof, against the mandatory spend of ₹ 12.09 million is as follows:

(₹ in million)

Sr. No.	Sector / Activity Identified	CSR Project	Location	Implementing Agency	Budget	Amount Spent
1	Hospital / Rural Healthcare	Contribution for promoting rural healthcare	Karamsad, Gujarat	Charutar Arogya Mandal	7.25	7.25
2	Skill Development	Contribution to Gujarat Audyogik V & V Trust ITI for skill development programme	Karamsad, Gujarat	Gujarat Audyogik V & V TRUST ITI	2.00	2.00
3	Environment Sustainability	Contribution to Sardar Patel Trust for upkeep and maintenance of Sanitation facilities and other public facilities	Karamsad, Gujarat	Sardar Patel Trust	0.64	0.64
4	Environment Sustainability	Contribution to Reefwatch Marine Conservation for project Re(ef) Generate at Andaman Islands	Andaman - Nicobar Island, India	Reefwatch Marine Conservation	1.00	1.00
5	Environment Sustainability	Contribution to Sardar Patel Renewable Energy Research Institute	Karamsad, Gujarat	Sardar Patel Renewable Energy Research Institute	0.60	0.60
6	Environment Sustainability	Contribution to Reefwatch Marine Conservation for project Re(ef) Generate at Karnata Beach Coast	Karnataka beach Coast	Reefwatch Marine Conservation	0.60	0.60
				Total	**12.09**	**12.09**

Notes to Standalone Financial Statements for the year ended March 31, 2021

Note: 40 Earnings per Share

		Year ended March 31, 2021	Year ended March 31, 2020
a)	Net profit for the year available to equity shareholders after Tax in million in ₹	951.02	621.23
b)	Weighted average number of Equity Shares during the year	14,617,500	14,617,500
c)	Face value of Equity Share in ₹	2.00	2.00
d)	Basic and diluted earnings per share in ₹	65.06	42.50

Note: 41 Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2020-21, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in million)

		Year ended March 31, 2021	Year ended March 31, 2020
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
	Principal amount due to micro and small enterprise	44.08	20.95
	Interest due on above	-	-
(ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note: 42 GMM Pfaudler Ltd ("GMM" or "the Company") had announced signing of definitive agreements to acquire De Dietrich Process Systems India Pvt. Ltd's (DDPSI) Glass Lined Equipment manufacturing facility in Hyderabad on the June 30, 2020 at a consideration of ₹ 545.07 million at fair value of assets and liabilities. The Company has concluded the acquisition on October 05, 2020 and have started commercial operations from October 19, 2020..

The fair value of asset and liabilities acquired have been accounted for using the acquisition method of accounting in accordance with Ind AS 103 "Business Combination". The following assets and liabilities are recognised as at the date of acquisition:

Particulars	Amount (₹ in million)
Land	359.00
Building	32.00
Property, Plant & Equipment	35.22
Other Intangible Assets	118.85
Net Assets	545.07

Note: 43 The company publishes standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the company has disclosed the segment information in the audited consoliated financial statements for year ended March 31, 2021.

Note: 44 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the Impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note: 45 **Impact of COVID-19 (Global Pandemic):**

COVID–19 began impacting our business operations from March 14, 2020 by affecting our supply chain and our ability to ship ready equipment to our customers. Our production eventually shut down completely on March 23, 2020. We started the year FY21 with a strong order book which is significantly higher as compared to the previous year. Our production facilities have resumed operation and supply chain gradually returning to normal. Even though we lost 20 days of production in April 2020, which in turn affected our Q1 FY21 revenues and profitability, the Company continued to accelerate its growth amid challenging and dynamic economic conditions in both domestic and global environments in the past year.

Since March 2021, India is witnessing a devastating 2nd wave of COVID-19 cases. This year even though there has been no national lockdown, we have faced disruptions at our manufacturing facilities in Karamsad and Nacharam due to regional lockdowns, unavailability of oxygen, manpower shortages, supply chain issues and other covid related issues. However, we are trying to minimise the impact through certain measures that we have taken and are prepared to make up the shortfall once the situation improves.

Note: 46 **Proposed Dividend:**

The Board of Directors in their meeting held on May 28, 2021, proposed a final equity dividend of ₹ 2 per equity share of ₹ 2.00 each fully paid up for the FY21. The aggregate amount of final equity dividend proposed to be distributed is ₹ 29.23 million.

Note: 47 The financial statements for the year ended March 31, 2021 were approved for issue by the Board of Directors on May 28, 2021.

As per our report of even date annexed

For **Deloitte Haskins & Sells**
Chartered Accountants

Karthikeya Raval
Partner
M.No : 106189

Place : Ahmedabad
Date : May 28, 2021

For and on behalf of the board

Dr. S. Sivaram
Chairman
DIN: 00009900
Pune, May 28, 2021

Tarak Patel
Managing Director
DIN: 00166183
Mumbai, May 28, 2021

Manish Poddar
Chief Financial Officer
FCA098238
Mumbai, May 28, 2021

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 28, 2021

INDEPENDENT AUDITOR'S REPORT

To The Members of GMM Pfaudler Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of GMM Pfaudler Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition on long-term contracts (Refer Note 11 to consolidated financial statements)

Key Audit Matter Description
The Group generates its revenue and profit/loss from long-term customer specific contracts where performance obligations are satisfied over a period of time. These contracts are accounted based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue is thus dependent on estimates in relation to total estimated costs of each contract.

This area is considered as key audit matter due to the size of revenue generated from long-term customer specific contracts. Furthermore, accounting for the contracts involves both judgement, in assessing whether the criteria set out in the Ind AS 115 "Revenue from contracts with the customers" have been met, and cost contingencies in these estimates to take in to account specific uncertain risks, or disputed claims against the Company, arising within each contract.

These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate

Principle audit procedure performed

As Principal auditors, we had issued written communication to the auditors of the overseas components ('Other Auditors') for audit procedures to be performed by them.

The procedures performed by us at the Parent level and the Other Auditors at the Component level, as reported by them, have been provided below:

- obtained an understanding of the process followed by the Management in determination of the estimates and contract revenue
- performed walkthrough procedures over the process of identification of performance obligation
- tested the design and implementation of internal control over the quantification of the estimates used
- assessed whether management's policies and processes for making these estimates are applied consistently overtime to contracts of a similar nature
- tested sample of contracts for:
  - appropriate identification of performance obligations
  - evaluation of reasonability of estimates of costs to complete and
  - tested the appropriateness of the timing of recognizing the revenue from the contracts

Additionally, audit oversight procedures carried out by us over the work performed by the Other Auditors consisted of:

a) Reviewing a written summary of the audit procedures performed by the Other Auditors.

b) Discussing with the Other Auditors and the management of the component/Parent to understand the basis of identification of the performance obligations and determination of timing of revenue recognition.

Accounting of business combination (Refer Note 47 of Consolidated financial statements)

Key Audit Matter Description

Pursuant to the definitive agreements entered into by the Group on August 20, 2020, the group through its Subsidiary GMM International S.a.r.l. have completed the acquisition of Pfaudler Group entities on February 01, 2021 at a consideration of ₹ 2015.58 million. In view of this, the operations of Pfaudler entities have been consolidated with that of the Group's Consolidated Financial Statements from February 01, 2021.

The Group accounted for the acquisition at fair-values of the net assets acquired, including intangibles, in accordance with Ind AS 103 – Business Combinations. Accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based on their fair values on their acquisition date. Goodwill amounting to ₹ 578.88 million arising on the acquisition of Pfaudler entities represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities of the entity recognised at the date of acquisition.

The determination of such fair values for the purpose of purchase price allocation was considered to be a key audit area as the fair valuation process involves judgments and estimates such as appropriateness of the valuation methodology applied and the discount rates applied to future cash flow forecasts.

Principle audit procedure performed

As principal auditors, we had issued written communication to the auditors of the component ('Other Auditors') to perform key audit procedures as the fair valuation process involves judgments and estimates such as appropriateness of the valuation methodology applied and the discount rates applied to future cash flow forecasts..

In accordance with such communication, the procedures performed by the Other Auditors, as reported by them, have been provided below:

- Evaluated the Design and Implementation of relevant internal controls over the purchase price allocation process, which inter-alia included management's control over reasonableness of various assumptions and estimates made to determine fair values of the net assets acquired
- Obtained from the component management, the report obtained by the management from its external experts for determining the fair values of assets acquired and liabilities assumed and performed the following substantive procedures

(1) Verification of the purchase consideration transferred by the Group for the acquisition with the share purchase agreement

(2) With the assistance of Other auditor's internal fair value specialists, evaluated (i) the appropriateness of the valuation methodologies / models used to determine the fair values for identified tangible and intangibles assets and (ii) determined the appropriateness of the fair values as determined by the component management's experts by assessing the reasonableness of the key valuation assumptions including the discount rate , as applicable including testing the source information underlying the determination of the discount rate, testing the mathematical accuracy of the calculation, and developing a range of independent estimates and comparing those to the ones selected by independent valuers and relied upon by the component management

(3) Evaluated the competencies, capabilities and objectivity of the independent valuers engaged by management for fair value analysis of tangible and intangible assets

(4) Assessed the presentation and disclosure of the transaction including the accounting estimates.

Additionally, audit oversight procedures carried out by us over the work performed by the Other Auditors consisted of:

- Review of a written summary of the audit procedures performed by the Other Auditors;
- Discussion with the Other Auditors and the management of the component/Parent to understand the appropriateness of the key valuation assumption used and methodologies followed in determination of the fair value of assets acquired and liabilities assumed
- Review of the presentation and disclosure of the transactions

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's report, Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 17 subsidiaries, whose financial statements reflect total assets of ₹ 20,813.12 million as at March 31, 2021, total revenues of ₹ 4,098.79 million and net cash inflows amounting to ₹ 1,956.94 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

All of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on March 31, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of Parent, for the reasons stated therein.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
(Partner)
(Membership No. 106189)
UDIN: 21106189AAAAFM1704

Place: Ahmedabad
Date: May 28, 2021

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of GMM Pfaudler Limited (hereinafter referred to as "Parent"), as of that date. The Parent has 17 subsidiary companies incorporated outside India and reporting on the adequacy and operating effectiveness on internal financial control over financial reporting is not applicable to those subsidiary companies.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
(Partner)
(Membership No. 106189)
UDIN: 21106189AAAAFM1704

Place: Ahmedabad
Date: May 28, 2021

Consolidated Balance Sheet

as at March 31, 2021

(₹ in million)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipment	6	3,811.32	871.63
(b) Right of Use Assets	7	1,385.07	220.04
(c) Capital work-in-progress		43.23	15.99
(d) Goodwill	8	636.71	59.32
(e) Other Intangible Assets	8	4,529.36	184.50
(f) Intangible assets under development		0.28	0.44
(g) Financial Assets			
(i) Investments	9	0.01	4.70
(ii) Others	11	32.02	27.78
(h) Deffered Tax Assets (net)	21	352.82	-
(i) Non-current Tax Assets (Net)	12	-	5.77
(j) Other non-current assets	13	74.39	6.57
		10,865.21	**1,396.74**
(2) Current Assets			
(a) Inventories	14	5,848.81	1,258.24
(b) Financial Assets			
(i) Investments	9	6.68	356.63
(ii) Trade Receivables	15	3,096.14	743.29
(iii) Cash & Cash Equivalents	16	2,434.69	477.75
(iv) Bank balances other than (iii) above	16	488.06	286.14
(v) Loans	10	0.78	169.73
(vi) Others	11	742.11	423.21
(c) Other current assets	13	692.45	184.44
		13,309.72	**3,899.43**
Total Assets		**24,174.93**	**5,296.17**
EQUITY & LIABILITIES			
Equity			
(a) Equity Share Capital	17	29.23	29.23
(b) Other Equity	18	4,042.18	3,261.28
Equity attributable to equity holders of the Parent		**4,071.41**	**3,290.51**
Non-controlling interests	46	**1,233.33**	**-**
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	4,427.54	-
(ii) Lease Liablities	20	1,215.64	176.59
(b) Deferred tax liabilities (Net)	21	523.45	50.12
(c) Provisions	24	4,555.48	134.34
(d) Other Non-current liabilities	25	123.75	-
		10,845.86	**361.05**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowing	19	148.42	112.26
(ii) Lease Liablities	20	193.91	55.40
(iii) Trade payables due to			
Micro & Small Enterprise	22	44.08	20.95
Other than Micro & Small Enterprise	22	2,915.32	620.57
(iv) Others	23	641.02	135.60
(b) Provisions	24	970.07	48.18
(c) Current Tax Liabilities (Net)	12	176.51	-
(d) Other current liabilities	25	2,935.00	651.65
		8,024.33	**1,644.61**
Total Equity & Liabilities		**24,174.93**	**5,296.17**

The accompanying notes are an integral part of these financial statements.
As per our report of even date annexed

For **Deloitte Haskins & Sells**
Chartered Accountants

Karthikeya Raval
Partner
M.No : 106189

Place : Ahmedabad
Date : May 28, 2021

For and on behalf of the board

Dr. S. Sivaram
Chairman
DIN: 00009900
Pune, May 28, 2021

Tarak Patel
Managing Director
DIN: 00166183
Mumbai, May 28, 2021

Manish Poddar
Chief Financial Officer
FCA098238
Mumbai, May 28, 2021

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 28, 2021

Consolidated Statement of Profit & Loss

for the year ended March 31, 2021

(₹ in million)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
Income:			
Revenue from Operations	26	10,011.19	5,910.72
Other Income	27	234.79	57.57
Total Income		**10,245.98**	**5,968.29**
Expenses:			
Cost of materials consumed	28	3,862.23	2,620.30
Changes in inventories of finished goods and work in progress	29	614.76	(76.07)
Employee benefits expense	30	2,074.72	879.78
Finance cost	31	101.81	34.90
Depreciation and amortisation expense	6&7&8	505.52	211.15
Labour Charges		469.79	353.89
Other expenses	32	1,603.35	1,021.46
Total Expense		**9,232.18**	**5,045.41**
Profit before exceptional items and tax		**1,013.80**	**922.88**
Exceptional items	47	335.17	-
Profit before tax		**678.63**	**922.88**
Tax expenses:			
Current tax		305.96	213.15
Excess Provision for Tax relating to Prior Years		(39.50)	-
Deferred tax		(221.88)	(1.58)
		44.58	**211.57**
Profit for the year		**634.05**	**711.31**
Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
(i) Actuarial Gain / (Loss) on Gratuity and Pension obligations		471.04	38.79
(ii) Income tax relating to items that will not be reclassified to profit or loss		(121.23)	(7.19)
(B) Items that may be reclassified to profit or loss			
(i) Exchange difference in translating the financial statements of foreign components		(112.79)	77.77
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (A (i-ii)		**237.02**	**109.37**
Total Comprehensive Income for the year		**871.07**	**820.68**
Profit attributable to:			
Equity Holders of the Parent		733.64	711.31
Non-controlling interests		(99.59)	-
Other Comprehensive Income attributable to:			
Equity Holders of the Parent		121.83	109.37
Non-controlling interests		115.19	-
Total Comprehensive Income attributable to:			
Equity Holders of the Parent		855.47	820.68
Non-controlling interests		15.60	-
Earnings Per Equity Share:	41		
Basic		50.19	48.66
Diluted		50.19	48.66
Significant Accounting Policies	4 & 5		

The accompanying notes are an integral part of these financial statements.
As per our report of even date annexed

For **Deloitte Haskins & Sells**
Chartered Accountants

Karthikeya Raval
Partner
M.No : 106189

Place : Ahmedabad
Date : May 28, 2021

For and on behalf of the board

Dr. S. Sivaram
Chairman
DIN: 00009900
Pune, May 28, 2021

Tarak Patel
Managing Director
DIN: 00166183
Mumbai, May 28, 2021

Manish Poddar
Chief Financial Officer
FCA098238
Mumbai, May 28, 2021

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 28, 2021

Consolidated Statement Of Cash Flow

for the year ended March 31, 2021

(₹ in million)

		Year ended March 31, 2021	Year ended March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		678.63	922.88
Adjustments for			
Depreciation and Amortisation expense		505.52	211.15
Net (gain) / loss on sale & discard of fixed assets		(3.67)	2.47
Net (gain) / loss on Non Current Investments designated as Fair Value Through Profit or Loss		-	0.01
Net (gain) / loss on Current Investments designated as Fair Value Through Profit or Loss		0.32	(12.12)
Net (gain) / loss on sale of Current Investments		0.90	7.97
Interest income		(33.00)	(4.70)
Interest and financial charges		101.81	34.90
Dividend Income		-	(0.03)
Provision for doubtful debts, liquidated damages and advances		120.31	13.71
Provision for Warranty		19.87	5.67
Unrealised foreign exchange fluctuation loss/(gain)		(94.20)	59.48
Acturial Gain / (loss) on Gratuity reclassified in OCI		471.04	38.79
Operating profit before working capital changes		1,767.53	1,280.18
Adjustments for :			
(Increase)/ Decrease in Inventories		616.47	(103.69)
(Increase)/ Decrease in Trade receivable,Short term loan & advances and other assets		(563.66)	(655.38)
Increase/ (Decrease) in Trade payables,other current liabilities & Provisions		(37.82)	(12.13)
Cash generated from operations		1,782.52	508.97
Direct Taxes paid		(215.47)	(241.94)
Net cash from operating activities	**A**	**1,567.05**	**267.03**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment,including intangible assets		(790.83)	(355.96)
Payment towards acquisition of business (Refer note 47)		(237.70)	(272.27)
Proceeds from sale of property, plant and equipment		15.59	2.32
Proceeds from sale of current investments		353.41	119.50
Fixed deposits placed with banks		(32.92)	-
Proceeds from Fixed deposits		-	4.64
Interest received		33.00	4.70
Dividend received		-	0.03
Net cash used in investing activities	**B**	**(659.45)**	**(497.04)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Short term Borrowing		244.66	112.26
Repayment of Short term borrowings		(212.26)	-
Proceeds from Long term Borrowing		1,286.33	-
Repayment of Long term borrowings		(11.15)	-
Interest paid		(81.20)	(14.16)

Contd.

(₹ in million)

		Year ended March 31, 2021	Year ended March 31, 2020
Dividend paid		(73.04)	(65.84)
Tax on distributed profits		-	(13.52)
Payment of Lease Liabilities		(104.00)	(65.14)
Net cash (used in) / from financing activities	**C**	**1,049.34**	**(46.40)**
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	**A+B+C**	**1,956.94**	**(276.41)**
Cash and Cash equivalents, beginning of the year		477.75	754.16
Cash and Cash equivalents, end of the year		2,434.69	477.75
COMPONENTS OF CASH AND CASH EQUIVALENTS			
Cash and Cash Equivalent			
Balances with banks			
- In current accounts		2,303.86	242.42
- In deposit accounts (Less than three months maturity)		130.00	234.60
Cash on hand		0.83	0.73
Total		**2,434.69**	**477.75**

	Year ended March 31, 2021	Year ended March 31, 2020
Other Bank Balances		
- In unpaid dividend accounts	2.47	2.52
- Margin money deposits (lodged against bank guarantee and letter of credit)	485.59	283.62
Cash and Bank Balances at the end of the year	2,922.75	763.88

Disclosure as per para 44A as set out in Ind AS 7 on cash flow statement under companies (Indian Accounting Standards) Rules, 2015 (as amended):

Particulars of liabilities arising from financing activities	**Note No.**	**Year ended March 31, 2020**	**On account of acquisition through business combination**	**Net cash flows**	**Non cash changes***	**Year ended March 31, 2021**
Borrowings:						
Long term borrowings inclduing current maturities of long term borrowing	19 & 23	-	3,486.24	1,275.18	6.82	4,768.24
Short term borrowings	19	112.26	-	32.40	3.76	148.42
Interest accrued on borrowings	23	-	21.25	(21.25)	16.38	16.38
Lease liabilities	20	231.99	1,270.30	(104.00)	11.26	1,409.55

* The same relates to amount charged in Statement of Profit & Loss.

As per our report of even date annexed

For **Deloitte Haskins & Sells**
Chartered Accountants

Karthikeya Raval
Partner
M.No : 106189

Place : Ahmedabad
Date : May 28, 2021

For and on behalf of the board

Dr. S. Sivaram
Chairman
DIN: 00009900
Pune, May 28, 2021

Tarak Patel
Managing Director
DIN: 00166183
Mumbai, May 28, 2021

Manish Poddar
Chief Financial Officer
FCA098238
Mumbai, May 28, 2021

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 28, 2021

Consolidated Statement of changes in equity

for the year ended March 31, 2021

(I) Equity Share Capital

(₹ in million)

Balance at April 1, 2019	**29.23**
Changes during the year	-
Balance at March 31, 2020	**29.23**
Balance at April 1, 2020	**29.23**
Changes during the year	-
Balance at March 31, 2021	**29.23**

(II) i) Other Equity :

(₹ in million)

	Capital Reserve	Securities Premium	General Reserve	Cash Subsidy Reserve	Retained Earnings	Foreign Currency Translation Reserve	Attributable to the equity holders of the parent	Non-Controlling interest	Total Equity
Balance at April 1, 2019	**0.02**	**149.28**	**219.36**	**0.69**	**2,123.56**	**167.14**	**2,660.05**	**-**	**2,660.05**
Profit for the year	-	-	-	-	711.31	-	711.31	-	711.31
Other comprehensive income for the year, net of income tax	-	-	-	-	31.60	77.77	109.37	-	109.37
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**742.91**	**77.77**	**820.68**	**-**	**820.68**
Payment of dividends	-	-	-	-	(65.78)	-	(65.78)	-	(65.78)
Adjusted pursuant to Merger (Refer Note - 49)	(138.76)	-	-	-	-	-	(138.76)	-	(138.76)
Taxes on dividend	-	-	-	-	(13.52)	-	(13.52)	-	(13.52)
Transition impact of Ind As 116	-	-	-	-	(1.39)	-	(1.39)	-	(1.39)
Balance at March 31, 2020	**(138.74)**	**149.28**	**219.36**	**0.69**	**2,785.78**	**244.91**	**3,261.28**	**-**	**3,261.28**
Balance at April 1, 2020	**(138.74)**	**149.28**	**219.36**	**0.69**	**2,785.78**	**244.91**	**3,261.28**	**-**	**3,261.28**
Profit for the year	-	-	-	-	733.64	-	733.64	(99.59)	634.05
Movement during the year in Foreign Currency Translation Reserve	-	-	-	-	-	(70.19)	(70.19)	(42.60)	(112.79)
Other comprehensive income for the year, net of income tax	-	-	-	-	192.02	-	192.02	157.79	349.81
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**925.66**	**(70.19)**	**855.47**	**15.60**	**871.07**
Payment of dividends	-	-	-	-	(73.09)	-	(73.09)	-	(73.09)
Adjustment pursuant to acquisition of subsidiaries	-	-	-	-	(1.48)	-	(1.48)	1,217.73	1,216.25
Balance at March 31, 2021	**(138.74)**	**149.28**	**219.36**	**0.69**	**3,636.87**	**174.72**	**4,042.18**	**1,233.33**	**5,275.51**

ii) A description of the purposes of each reserve within equity is disclosed in the Note 18

The accompanying notes are an integral part of these financial statements.
As per our report of even date annexed

For **Deloitte Haskins & Sells**
Chartered Accountants

Karthikeya Raval
Partner
M.No : 106189

Place : Ahmedabad
Date : May 28, 2021

For and on behalf of the board

Dr. S. Sivaram
Chairman
DIN: 00009900
Pune, May 28, 2021

Tarak Patel
Managing Director
DIN: 00166183
Mumbai, May 28, 2021

Manish Poddar
Chief Financial Officer
FCA098238
Mumbai, May 28, 2021

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 28, 2021

Notes

to Consolidated Financial Statements for the year ended March 31, 2021

1 Corporate Information

GMM Pfaudler Limited (the company/Parent), together with it's subsidiaries are pioneers in manufacturing of corrosion-resistant technologies, system and related services catering to the specific needs of customers in the chemical, pharmaceutical and allied industries. The group also manufactures flouro-polumer products and other chemical process equipment such as agitated nutsche filters, filter driers ,wiped film evaporators and mixing systems. The equity shares of the Company are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

The consolidated financial statements comprises the financial statements of the Parent Company GMM Pfaudler Limited and its subsidiary companies (together referred to as "Group").

The subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of Company	Country of Incorporation	% of Holding	
			Current Year	Previous Year
1	GMM Mavag AG *	Switzerland	100%	100%
2	Mavag AG *	Switzerland	100%	100%
3	GMM International S.a.r.l **	Luxembourg	54%	NIL
4	Pfaudler GmbH **	Germany	54%	NIL
5	Normag Labor und Prozesstechnik GmbH **	Germany	54%	NIL
6	Pfaudler Interseal GmbH **	Germany	54%	NIL
7	Pfaudler France S.à r.l. **	France	54%	NIL
8	Pfaudler s.r.l. **	Italy	54%	NIL
9	Pfaudler Limited **	UK	54%	NIL
10	Pfaudler services Benelux B.V. **	Netherlands	54%	NIL
11	Pfaudler Private Limited **	Singapore	54%	NIL
12	Pfaudler Ltda. **	Brazil	54%	NIL
13	Pfaudler SA de CV **	Mexico	54%	NIL
14	Pfaudler (Chang Zhou) Process Equipment Company Limited	China	54%	NIL
15	GMM Pfaudler US Inc **	USA	54%	NIL
16	Edlon, Inc. **	USA	54%	NIL
17	Glasteel Parts and Services, Inc. **	USA	54%	NIL

* Refer note 49

** Refer note 47

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Holding Company i.e. year ended March 31, 2021.

2 Statement of compliance

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

3 Basis of Preparation of Consolidated Financial Statements

a) Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. (Refer Note no. 4.i1)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

b) Functional and Presentation Currency

The consolidated financial statements are presented in Indian Rupees, which is the functional currency of the Parent Company. All the amounts are stated in the nearest rupee million.

4 Significant Accounting Policies

a) Basis of Consolidation:

The consolidation of the accounts of the holding company with the subsidiaries is prepared in accordance with Ind AS 110 – 'Consolidated Financial Statements'.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Profit or loss and each component of other comprehensive income is attributable to owners of the company only. The financial statements of the parent company and its subsidiaries are consolidated on line-by-line basis by adding together like items of assets, liabilities, income and expenses. All intra-group balances, intra-group transactions and unrealized profits or losses in intra-group balances are fully eliminated.

b) Use of Estimates:

The preparation of consolidated financial statements are in conformity with the recognition and measurement principles of Ind AS which requires management to make critical judgments, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and future periods are affected. Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

1. Useful lives of property, plant and equipment (refer note no. 4.e)
2. Provision for old and obsolete inventory (refer note no. 4.h)
3. Provision for Warranty Expense (refer note no. 4.k)

Notes to Consolidated Financial Statements for the year ended March 31, 2021

4. Employee benefits (refer note no. 4.l)
5. Expense Provisions & contingent liabilities (refer note no. 4.o)
6. Provision for Doubtful Trade Receivables (refer note no. 4.i8)
7. Valuation of deferred tax assets (refer note no. 4.p)
8. Impairment of Goodwill (refer note no. 4.d)
9. Lease (refer note no. 4. n)

c) Property, Plant and Equipment and Intangible Assets

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all expenses related to the acquisition and installation of Property, Plant and Equipment which comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses.

Machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant class of assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital Work in Progress:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost comprises direct cost, related incidental expenses and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit & loss.

Intangible Assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

d) Business combination and Goodwill

Business combination:

Business Combination is accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed out in statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition is recognized at their fair values at the acquisition date. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Goodwill:

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

e) Depreciation and Amortisation , Useful life of Property, Plant & Equipment and Intangible Assets

Depreciation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under 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, etc.:

Name Of Assets	Useful life
A) Burning Scaffold and Pilot Plant (included under Plant & Machinery)	3 years
B) Telephones (included under Office Equipment)	3 years
C) Vehicles	6 years
D) Solar Power Plant	10 years

Items costing less than ₹ 5000/- are fully depreciated in the year of put to use/ purchase.

Leasehold improvements are amortized equally over the period of lease.

Amortisation:

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Name Of Assets	Useful life
A) Computer Software	3-6 years
B) Technical Knowhow	3 years
C) Backlog	1 years
D) Process Knowhow	10 years
E) Non- Compete agreement	3 years
F) Technology	20 years
G) Trademark	20 years
H) Customer Relationships	20 years
I) Other Intangibles (Order backlog and POC)	8 -17 months

f) Asset Impairment

The Group assesses at each reporting date using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

g) Foreign Exchange Transactions and Translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognized as income or expense of the period in which they arise. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing rate. The resultant exchange rate differences are recognized in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction.

Foreign Operations

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

h) Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined on the weighted average method and is net of tax credits and after providing for obsolescence and other losses. Cost includes all charges in bringing the goods to their existing location and conditions, including various tax levies (other than those subsequently recoverable from the tax authorities), transit insurance and receiving charges. Cost of work-in-progress and finished goods include cost of direct materials consumed, labour cost and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realizable value is the contracted selling value less the estimated costs of completion and the estimated costs necessary to make the sales.

i) Financial Instruments

i1) Investments

Investments in mutual funds are primarily held for the Group's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

The Group has not made any irrevocable election to present subsequent changes in the fair value of equity investments, not held for trading, in other comprehensive income as the same are classified as fair value through profit or loss.

i2) Trade Receivables

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognized at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

i3) Cash & Cash Equivalents

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

i4) Trade Payables

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

i5) Loan & Borrowings

"This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

i6) Other financial assets and liabilities

Other non-derivative financial instruments are initially recognized at fair value and subsequently measured at amortized costs using the effective interest method.

i7) De-recognition of financial assets and liabilities

The Group derecognizes a financial asset when the contractual right to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction which substantially all the risk and rewards of ownership of the financial asset are transferred. If the Group retains substantially all the risk and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired; the difference between the carrying amount of derecognized financial liability and the consideration paid is recognized as profit or loss.

i8) Impairment of financial assets

At each balance sheet date, the Group assesses whether a financial asset is to be impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Group measures the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the group measures the loss allowance for financial assets at an amount equal to 12-month expected credit losses. The Group uses both forward-looking and historical information to determine whether a significant increase in credit risk has occurred.

j) Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, acceptance of delivery by the customer, etc.

In respect of fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. The said measurement is carried considering the surveys of performance completed to date and appraisals of results achieved.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and Performance penalty, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Unbilled Revenues are recognised when there is excess of revenue earned over billings on contracts.

Other Income:

Dividend income is recognized when the right to receive the same is established.

Interest income is recognized on accrual basis.

k) Product Warranty Expenses

Provision is made in the consolidated financial statements for the estimated liability on account of costs that may be incurred on products sold under warranty. The estimates for the costs to be incurred for providing free service under warranty are determined based on historical information, past experience, average cost of warranty claims that are provided for in the year of sale.

l) Employee Benefits

Employee benefits include provident fund, superannuation fund, family pension fund, medical plan, gratuity fund, compensated absences, Partial or Early Retirement and Incentives.

Defined contribution plans

The Group's contribution to provident fund, family pension fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, pension fund, Seniority plan and Medical plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit & loss. Past service cost is recognised in statement of profit & loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in statement of profit & loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, sick leave and other short term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of long-term employee benefits in form of compensated absences are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

m) Operating Expenses

Operating Expenses are charged to statement of Profit and Loss on accrual basis.

n) Leases

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

o) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability is not recognized but its existence is disclosed in the financial statements. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable in the financial statements.

p) Taxation

Tax expense comprise of current and deferred tax. Current income tax comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in jurisdictions where such operations are domiciled.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Any deferred tax asset or liability arising from deductible or taxable temporary differences in respect of unrealized intercompany profit or loss on inventories held by the Group in different tax jurisdictions is recognised using the tax rate of jurisdiction in which such inventories are held.

Current and deferred tax are recognised in statement of profit & loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income Tax Act regulation are recognized in statement of changes in equity as part of associated dividend payment.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the Group intends to settle the asset and liability on a net basis. The Group offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

q) Segment Reporting

The Group identifies segments as operating segments whose operating results are regularly reviewed by the Chief Operating Decision Maker [CODM] to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The group has classified geography (India and Overseas) as reportable segments which is in line with Ind AS 108, Operating Segments.

All reporting segments within the group follow a common accounting policies. Segment assets include all operating assets used by the business segments and consist principally of property plant and equipment, intangible assets, debtors and inventories. Segment liabilities include the operating liabilities that result from operating activities of the business segment.

r) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

s) Operating Cycle:

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of product and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

t) Research and development expenses:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipments.

u) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

5 Changes in Accounting Standards and other recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Note: 6 **Property, Plant & Equipment**

(₹ in million)

Class Of Assets	Gross Block						Depreciation					Net Block
	As on April 1, 2020	Acquisitions through business combination	Additions	Deductions	Foreign currency translation	As on March 31, 2021	Upto April 1, 2020	For the Year	On Deductions	Foreign currency translation	Upto April 1, 2020	As on March 31, 2021
Freehold Land (Refer Note 44)	2.32	161.24	382.85	-	2.84	543.57	-	-	-	-	-	543.57
Leasehold Improvement	75.58	276.85	1.48	-	8.49	345.42	17.93	18.36	-	0.04	36.25	309.17
Buildings (Refer Note 44)	310.55	837.91	48.43	-	16.17	1,180.72	29.58	48.59	-	0.06	78.11	1,102.61
Plant & machineries (Refer Note 44)	637.15	1,149.32	244.90	31.34	10.77	1,989.26	212.01	130.71	19.72	(15.33)	338.33	1,650.93
Office Equipment	63.57	92.26	28.38	1.77	(3.26)	185.70	20.98	17.63	1.76	(5.20)	42.05	143.65
Furniture & Fixtures	16.48	5.59	5.00	0.39	(0.04)	26.72	5.39	3.03	0.39	0.01	8.02	18.70
Vehicles	76.80	0.13	4.67	3.60	1.02	76.98	24.93	14.81	3.27	2.18	34.29	42.69
Total	**1,182.45**	**2,523.30**	**715.71**	**37.10**	**35.99**	**4,348.37**	**310.82**	**233.13**	**25.14**	**(18.24)**	**537.05**	**3,811.32**

(₹ in million)

Class Of Assets	Gross Block						Depreciation					Net Block
	As on April 1, 2019	Acquisitions through business combination	Additions	Deductions	Foreign currency translation	As on March 31, 2020	Upto April 1, 2019	For the Year	On Deductions	Foreign currency translation	Upto April 1, 2020	As on March 31, 2020
Freehold Land	2.32	-	-	-	-	2.32	-	-	-	-	-	2.32
Leasehold Improvement	28.31	-	47.27	-	-	75.58	5.77	12.16	-	-	17.93	57.65
Buildings	250.56	-	66.85	6.86	-	310.55	23.56	10.55	4.53	-	29.58	280.97
Plant & machineries	397.99	-	246.92	7.76	-	637.15	154.19	65.25	7.43	-	212.01	425.14
Office Equipment	52.26	-	18.55	7.24	-	63.57	16.98	11.22	7.22	-	20.98	42.59
Furniture & Fixtures	10.00	-	7.36	0.88	-	16.48	3.78	2.38	0.77	-	5.39	11.09
Vehicles	75.56	-	8.10	6.86	-	76.80	15.03	14.73	4.83	-	24.93	51.87
Total	**817.00**	**-**	**395.05**	**29.60**	**-**	**1,182.45**	**219.31**	**116.29**	**24.78**	**-**	**310.82**	**871.63**

Note: 7 Right Of Use Assets

(₹ in million)

Class Of Assets	Gross Block						Depreciation					Net Block
	As on April 1, 2020	Acquisitions through business combination	Additions	Deductions	Foreign currency translation	As on March 31, 2021	Upto April 1, 2020	For the Year	On Deductions	Foreign currency translation	Upto April 1, 2020	As on March 31, 2021
Freehold Land	-	1.04	1.49	-	0.06	2.47	-	0.03	-	0.00	0.03	2.44
Buildings	274.52	1,154.59	5.70	20.01	35.50	1,379.30	54.48	83.22	11.02	0.27	126.41	1,252.89
Plant & machineries	-	13.31	2.12	-	0.01	15.42	-	0.51	-	0.00	0.51	14.91
Office Equipment	-	20.20	6.92	-	0.47	26.65	-	1.27	-	0.01	1.26	25.39
Vehicles	-	81.16	16.51	0.64	1.77	95.26	-	6.02	0.12	0.08	5.82	89.44
Total	**274.52**	**1,270.30**	**32.74**	**20.65**	**37.81**	**1,519.10**	**54.48**	**91.05**	**11.14**	**0.36**	**134.03**	**1,385.07**

(₹ in million)

Class Of Assets	Gross Block						Depreciation					Net Block
	As on April 1, 2019	Acquisitions through business combination	Additions	Deductions	Foreign currency translation	As on March 31, 2020	Upto April 1, 2019	For the Year	On Deductions	Foreign currency translation	Upto April 1, 2020	As on March 31, 2020
Buildings	-	-	274.52	-	-	274.52	-	54.48	-	-	54.48	220.04
Total	**-**	**-**	**274.52**	**-**	**-**	**274.52**	**-**	**54.48**	**-**	**-**	**54.48**	**220.04**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Note: 8 **Intangible Assets**

(₹ in million)

Class Of Assets	Gross Block						Depreciation					Net Block
	As on April 1, 2020	Acquisitions through business combination	Additions	Deductions	Foreign currency translation	As on March 31, 2021	Upto April 1, 2020	For the Year	On Deductions	Foreign currency translation	Upto April 1, 2020	As on March 31, 2021
Computer Software	91.90	-	23.08	0.00	(19.72)	134.70	44.19	16.95	-	(19.95)	81.09	53.61
Technical Knowhow	2.23	-	-	-	-	2.23	1.05	0.17	-	-	1.22	1.01
Backlog	4.27	396.30	4.84	1.40	4.58	399.43	3.98	85.65	1.44	0.05	88.14	311.29
Process Knowhow	120.68	-	-	-	-	120.68	11.26	12.06	-	-	23.32	97.36
Non- Compete agreement	37.59	-	118.86	-	-	156.45	11.69	31.84	-	-	43.53	112.92
Goodwill	59.32	578.88	-	-	1.49	636.71	-	-	-	-	-	636.71
Customer relationships	-	1,184.80	-	-	17.93	1,166.87	-	10.97	-	0.08	10.89	1,155.98
Trade marks	-	2,873.81	-	-	53.11	2,820.70	-	23.70	-	0.19	23.51	2,797.19
Total	**315.99**	**5,033.79**	**146.78**	**1.40**	**57.39**	**5,437.77**	**72.17**	**181.34**	**1.44**	**(19.63)**	**271.70**	**5,166.07**

(₹ in million)

Class Of Assets	Gross Block						Depreciation					Net Block
	As on April 1, 2019	Acquisitions through business combination	Additions	Deductions	Foreign currency translation	As on March 31, 2020	Upto April 1, 2019	For the Year	On Deductions	Foreign currency translation	Upto April 1, 2020	As on March 31, 2020
Computer Software	89.55	-	6.22	3.87	-	91.90	34.62	13.43	3.86	-	44.19	47.71
Technical Knowhow	1.03	-	1.20	-	-	2.23	1.03	0.02	-	-	1.05	1.18
Backlog	-	-	4.27	-	-	4.27	-	3.98	-	-	3.98	0.29
Process Knowhow	-	-	120.68	-	-	120.68	-	11.26	-	-	11.26	109.42
Non- Compete agreement	-	-	37.59	-	-	37.59	-	11.69	-	-	11.69	25.90
Goodwill	-	-	59.32	-	-	59.32	-	-	-	-	-	59.32
Total	**90.58**	**-**	**229.28**	**3.87**	**-**	**315.99**	**35.65**	**40.38**	**3.86**	**-**	**72.17**	**243.82**

Notes:

1. There are no adjustment to Property, Plant & Equipment and Intangible assets on account of borrowing costs and exchange differences.
2. Refer note 19 for details of Charge/ pledge on above assets.

Depreication and Amortisation Expense

(₹ in million)

Particulars	For The Year Ended March 31, 2021	For The Year Ended March 31, 2020
Depreciation of Property, plant and equipment	233.13	116.29
Amortisation of intangible assets	181.34	40.38
Depreciation on Right to Use Assets	91.05	54.48
Total depreciation and amortisation Expense	**505.52**	**211.15**

Note: 9 **Investments**

(₹ in million)

(i) Non Current	Face value	Qty As At March 31, 2021	Amount As At March 31, 2021	Qty As At March 31, 2020	Amount As At March 31, 2020
Shares in Co-operative Societies (unquoted) (at fair value)					
Charotar Gas Sahakari Mandli Ltd	500.00	10	0.01	10	0.01
Equity Shares (unquoted)					
Futura Polyster Ltd *	10.00	100	0.00	100	-
			0.01		**0.01**
Government Securities (quoted) (at fair value)					
Indian Railway Finance Corp. Bonds	1,000.00		-	4,350	4.69
Total Investments			**0.01**		**4.70**
Aggregate amount of quoted investments			-		4.69
Aggregate amount of unquoted investments			**0.01**		**0.01**

(* Unit 100 and Value ₹ 385/-)

(₹ in million)

(ii) Current	Face value	No. of Units As At March 31, 2021	Amount As At March 31, 2021	No. of Units As At March 31, 2020	Amount As At March 31, 2020
In Units of mutual Funds, Unquoted (at fair value)					
Aditya Birla Sun Life Credit Risk Fund - Gr. REGULAR (formerly known as Aditya Birla Sun Life Corporate Bond)	10.00		-	5,047,117	70.88
ICICI Prudential Short term - Growth Option	10.00		-	1,369,318	57.74
Tata Short Term Bond Fund Regular Plan - Growth	10.00		-	1,358,581	48.06

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Notes to Consolidated Financial Statements for the year ended March 31, 2021

(ii) Current	Face value	No. of Units As At March 31, 2021	Amount As At March 31, 2021	No. of Units As At March 31, 2020	Amount As At March 31, 2020
Aditya Birla Sun Life Short Term Opportunities fund Regular Plan - Growth	10.00		-	3,097,541	102.76
L&T Credit Risk Fund - Growth	10.00		-	2,507,165	54.24
Aditya Birla Sun Life Money Manager Fund Gr (formerly known as Birla Sun Life Floating Rate Fund STP Growth)	10.00		-	76,634	20.63
Aditya Birla Sun Life Credit Risk Fund - Growth Regular - (Segregated Portfolio 1)	10.00	5,047,117	2.02	5,047,117	2.10
Nippon India Strategic Debt Fund - Segregated Portfolio 1 - Growth Plan*	10.00	4,243,461	0.17	4,243,461	0.22
Nippon India Strategic Debt Fund - Segregated Portfolio 2 - Growth Plan*	10.00	4,243,461	-	4,243,461	-
Government Securities (quoted) (at fair value)					
Indian Railway Finanace Corp. Bonds	1,000.00	4,350	4.50	-	-
			6.68		**356.63**

* The Board of directors of Nippon Life India Trustee Limited have approved the creation of segregated portfolio of securities w.e.f. March 6, 2020 and alloted equal numbers of units in the second segregated portfolio as held in mail portfolio.

Category wise classification of investments - as per Ind AS 109

(₹ in million)

Particulars		As At March 31, 2021	As At March 31, 2020
Financial assets carried at fair value through profit or loss (FVTPL)			
i)	Mandatorily measured at FVTPL (Investment in mutual fund)	6.68	356.63
ii)	designated as at FVTPL (Investment in equity instruments and government securities)	0.01	4.70
		6.69	**361.33**

Note: 10 **Loans**

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Current		
(Unsecured)		
Loans to related party	-	168.76
Loans to employees	0.78	0.97
	0.78	**169.73**

Note: 11 Other Financial Assets

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
(i) Non Current		
Security Deposits (including considered doubtful as at 31.03.21 ₹ 0.69 million and as at 31.03.20 ₹ 0.69 million)	29.94	28.00
Less : Provision for doubtful security deposits	0.69	0.69
	29.25	**27.31**
Fixed deposits with original maturity more than twelve months (including margin money deposit lodged against bank guarantee and letter of credit)	2.77	0.47
	32.02	**27.78**
(ii) Current		
Accrued income	2.81	1.89
Security deposits	150.29	-
Unbilled Revenue (Net of Advance from Customers)	588.15	421.32
Others	0.86	-
	742.11	**423.21**

Particulars	As At March 31, 2021	As At March 31, 2020
Contracts in Progress at the end of reporting Period		
1. Contract Revenue Recognised as per Percentage of Completion Method	841.93	204.02
2. Contract Cost Incurred upto the reporting date	525.61	174.24
3. Recognised Profit (1-2)	316.32	29.78
4. Progress billings	-	-
Balance at the end of the year		
5. Recognised and Included in Financial Statements as amounts due:		
(i) Amounts due from Customers under construction contracts	1,365.93	568.73
(ii) Amounts due to Customers under construction contracts	-	-
6. Retentions held by customer	-	-
7. Advances received from customers	777.78	147.41

Note:

Since the original expected duration of contracts entered by the company is one year or less, management expects to recognise revenue with respect to unsatisfied / partially satisfied performance obligations, within twelve months from the date of balance sheet.

Note: 12 (Current Tax Liabilities) /Non-Current Tax Assets

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Provision for Income Tax	1,145.11	535.39
Advance payment of Tax	968.60	541.16
	(176.51)	**5.77**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Note: 13 Other Assets

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
(i) Non Current		
Capital Advances (Unsecured, Considered Good)	71.22	3.52
Balances with indirect tax authorities	3.05	3.05
Less: Provision for doubtful balance with indirect tax authorities	3.05	-
Others	3.17	-
	74.39	**6.57**
(ii) Current		
Balances With Indirect Tax Authorities	230.33	94.83
Less: Provision for doubtful balance with indirect tax authorities	3.95	-
Prepaid expenses	173.34	18.98
Advance to suppliers (Unsecured, Considered Good)	138.59	57.59
Employee Advances	38.00	0.76
Export benefit receivable	19.37	0.22
Others	96.77	12.06
	692.45	**184.44**

Note: 14 Inventories

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
(Valued at lower of cost and net realisable value)		
Raw materials (including in transit as at 31.03.21 ₹ 65.32 million and as at 31.03.20 ₹ 6.08 million)	2,063.27	517.82
Work-in-progress (including in transit as at 31.03.21 ₹ 2.74 million and as at 31.03.20 ₹ NIL)	2,295.91	574.11
Finished goods (including in transit as at 31.03.21 ₹ 258.77 million and as at 31.03.20 ₹ 18.74 million)	1,423.23	118.26
Stores and spares	66.40	48.05
	5,848.81	**1,258.24**

(Inventories are hypothecated as security for borrowings as disclosed under Note 19).

Note: 15 Trade receivables

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Unsecured, Considered good	3,295.88	822.72
Less : Allowance for doubtful debts	199.74	79.43
	3,096.14	**743.29**

(Trade Receivables are given as security for borrowings as disclosed under Note 19).

(₹ in million)

Movement in the expected credit loss allowance	Year Ended March 31, 2021	Year Ended March 31, 2020
Balance at beginning of the year	**79.43**	**65.72**
Add : On account of acquisition through business combination	99.83	-
Add : Provision made during the year	44.12	27.78
Less: Provision used during the year	22.20	14.11
Add/(Less): Exchange differences	(1.44)	0.04
Balance at the end of the year	**199.74**	**79.43**

Note: 16 Cash and Bank Balances

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Cash and Cash Equivalents		
Balances with banks		
- In current accounts	2,303.86	242.42
- In deposit accounts with maturity less than three months	130.00	234.60
Cash and stamps on hand	0.83	0.73
	2,434.69	**477.75**
Other Bank Balances		
Fixed deposits with original maturity more than three months and less than twelve months (including margin money deposit lodged against bank guarantee and letter of credit)	485.59	283.62
In unpaid dividend accounts - Earmarked balances	2.47	2.52
	488.06	**286.14**

Note: 17 Equity Share Capital

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Authorised		
25,000,000 (PY 25,000,000) Equity shares of ₹ 2/- each	50.00	50.00
Issued, Subscribed and Paid-up		
14,617,500 (PY 14,617,500) Equity shares of ₹ 2/- each fully paid up	29.23	29.23
Total	**29.23**	**29.23**

a Reconciliation of equity shares outstanding at the beginning and end of the reporting year

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Equity Shares:		
At the Beginning of the year	29.23	29.23
Changes in equity share capital during the year	-	-
Balance at the end of the year	**29.23**	**29.23**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

b Terms/rights attached to equity shares

The group has only one class of equity shares having a par value ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the group, the holders of equity shares will be entitled to receive remaining assets of the group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c Details of shareholders holding more than 5% shares in the group

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
Pfaudler Inc	47,76,736	32.68%	73,72,475	50.44%
Millars Machinery Company Pvt Ltd	12,95,595	8.86%	16,25,595	11.12%

d Buyback of Shares ,Bonus Shares and Shares issued for Consideration other than cash.

The group has not bought back any shares, neither has it issued bonus shares nor has it issued shares for consideration other than cash in the past five years.

Note: 18 **Other Equity**

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Capital Reserve		
Balance at the beginning of the year	(138.74)	0.02
Movement during the year (Refer note 49)	-	(138.76)
Balance at the end of the year	**(138.74)**	**(138.74)**
Cash Subsidy Reserve		
Balance at the beginning of the year	0.69	0.69
Movement during the year	-	-
Balance at the end of the year	**0.69**	**0.69**
Securities Premium		
Balance at the beginning of the year	149.28	149.28
Movement during the year	-	-
Balance at the end of the year	**149.28**	**149.28**
Foreign Currency Translation Reserve		
Balance at the beginning of the year	244.91	167.14
Movement during the year	(70.19)	77.77
Balance at the end of the year	**174.72**	**244.91**
General Reserve:		
Balance at the beginning of the year	219.36	219.36
Movement during the year	-	-
Balance at the end of the year	**219.36**	**219.36**

Contd.

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Surplus in Statement of Profit and loss		
Balance at the beginning of the year	2,785.78	2,123.56
Add : Net Profit for the year	925.66	742.91
Less : Appropriations		
Interim Dividend [Dividend Per Share ₹ 3, (Previous Year ₹ 3)]	43.85	43.85
Final Dividend [Dividend Per Share ₹ 2 (Previous Year ₹ 1.5)]	29.24	21.93
Tax on distributed profits	-	13.52
Transition Impact of Ind AS 116	-	1.39
Addition pursuant to business combination	1.48	-
Balance at the end of the year	**3,636.87**	**2,785.78**
	4,042.18	**3,261.28**

Nature and Purpose of Reserves

General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the Statement of Profit & Loss.

Securities Premium:

Securities Premium represents Security Premium received at the time of issuance of Equity Shares. Such amount is available for utilisation in accordance with the provisions of the Companies Act, 2013.

Capital Reserve:

Capital reserve is created pursuant to the merger of wholly owned subsidiary with it's step down wholly owned subsidiary (Refer note 49). The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Note: 19 Borrowings

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Long Term Borrowings		
i. Non Current		
Secured (at amortised cost)		
Term Loan from bank (Refer note 1,2 and 5)	4,085.37	-
Unsecured (at amortised cost)		
Term Loan from bank (Refer note 6)	342.17	-
	4,427.54	**-**
ii. Current		
Secured (at amortised cost)		
Term Loan from bank (Refer note 3)	340.70	-
	340.70	**-**
Total Long Term Borrowings (i)	**4,768.24**	**-**

Contd.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Particulars	As At March 31, 2021	As At March 31, 2020
iii. Short Term Borrowings		
Unsecured (at amortised cost)		
Working Capital Loans repayable on demand from Banks (Refer Note: 4)	148.42	112.26
Total Short Term Borrowings (ii)	**148.42**	**112.26**
Total Borrowings (i+ii)	**4,916.66**	**112.26**

Note :

1 A Rupee Term Loan of ₹ 460 million (Previous Year 2019-20: Nil) is secured by charge over immovable property and Movable property located at Hyderabad. The loan carries interest rate at 7.4% per annum. The Loan is repayable in 17 quarterly instalments each of ₹ 27.06 million commencing from May 2021.

2 External Commercial Borrowing (ECB) facility taken from HSBC Bank of USD 6.0 million (Previous Year FY 2019-20:Nil) is secured by parri passu charge on the Company's karamsad factory ₹ 1420 million, 1st charge by way of hypothecation over all and singular the Borrower's Stocks of Raw Material, Semi-Finished and finished Goods, Stores and Spares not relating to the Plant and Machinery, Bills Receivable, Book Debts and all other movables including machineries, equipments, spares etc. of the Borrower ₹ 700 million. The loan carries interest rate of 3/6 month Libor plus 245 basis point. Repayments will commence on July 2021 and will continue until January 2025. The charge on above securities is in process of registration with MCA.

3 Instalments falling due within a year in respect of all the above Loans aggregating ₹ 340.70 million (March 31, 2020 : Nil) have been grouped under "Current maturities of long-term debt". (Also refer note -23)

4 Working Capital Loans include Foreign currency Loan USD 2,000,000 repayable within one Year bearing Interest rate minimum FCY FTP +125 bps p.a and having benchmark 3/6/Month LIBOR.

5 Secured loans availed by foreign subsidiaries (Pfaudler group) of EUR 6,006,000 and USD 43,245,000 carries an interest rate of LIBOR/ EURIBOR + applicable margin. The applicable margin depends on leverage ratio levels and may vary from 0.75% to 4.00%. The maturity date for such loan varies from August 2025 to August 2026 which is repayable in instalment semi annually/one time payment on termination date. The said loan is secured by various pledge and charge agreements in favour of the lenders as follows :

- GMM Pfaudler US Inc. (Entity) - All Assets along with shares of subsidiary
- Pfaudler interseal GmbH (Entity) - Inter co Loans, Bank accounts, IP Property, receivables, & Shares of Subsidiary
- Pfaudler LtdA, (Entity) - Bank Accounts
- Pfaudler S.r.l. (Entity) - Inter co Loans & Bank accounts
- GMM International S.a.r.l (Entity) - 100% Shares have been pledged by all 3 shareholders

6 Unsecured term loan from bank availed by wholly owned subsidiary (Mavag AG) carries an interest rate of 1.7% per annum. The Loan is repayable in 20 quarterly instalments each of CHF 250,000 commencing from June 2021.

Note: 20 Lease Liabilities

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Non Current	1,215.64	176.59
Current	193.91	55.40
	1,409.55	**231.99**

(i) Movement in Lease Liabilities

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Opening Balance	231.99	-
Add : On account of acquisition through business combination	1,270.30	-
Add: Addition Made During the year	32.74	276.39
Less: Deletion Made During the year	10.06	-
Add: Finance cost accrued during the year	25.49	20.74
Less: Payment of Lease Liabilities	104.00	65.14
Add/(Less): Exchange differences	(36.91)	-
Closing Balance	**1,409.55**	**231.99**

(ii) The contractual maturities of Lease liabilities are as under on undiscounted basis:

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Payable within one year	279.35	75.75
Payable later than one year and not later than five years	684.97	205.31
Payable after five years	953.49	-

(iii)

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Lease payments recognised for short term leases in Statement of Profit and Loss during the year 2020-21 (Refer Note:32)	30.24	23.18

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Note: 21 Deferred Tax Liabilities Liabilities

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Deferred tax assets	(828.26)	(31.59)
Deferred tax liabilities	998.89	81.71
Net Deferred Tax Liability	**170.63**	**50.12**

The deferred tax liabilities / assets are off-set, where the group has a legally enforceable right to set-off assets against liabilities and are presented in balance sheet as follows:

Particulars	As At March 31, 2021	As At March 31, 2020
Deferred Tax liabilities	523.45	50.12
Deferred Tax assets	(352.82)	-
	170.63	**50.12**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(₹ in million)

Particulars	2020-21						2019-20					
	Opening Balance	On account of business combination	Charged to / (Reversed from) Statement of P & L	Recognised in Other Compre-hensive Income	Foreign Exchange Difference	Closing Balance	Opening Balance	Charged to / (Reversed from) Statement of P & L	Impact on account of Ind AS 116	Recognised in Other Compre-hensive Income	Foreign Exchange Difference	Closing Balance
Deferred tax liabilities/ (assets) in relation to:												
Property, Plant and Equipment	47.65	707.65	59.67	-	(21.58)	793.39	48.91	(1.26)	-	-	-	47.65
Investments classified as FVTPL	16.15	-	(15.61)	-	-	0.54	17.79	(1.64)	-	-	-	16.15
Accounts receivables	(9.72)	(3.28)	8.84	-	0.17	(3.99)	(12.49)	2.77	-	-	-	(9.72)
Lease Liabilities	(3.07)	-	0.57	-	-	(2.50)	-	(2.59)	(0.48)	-	-	(3.07)
Provisions and accruals	1.82	(42.96)	(35.77)	-	0.89	(76.02)	1.85	(0.03)	-	-	-	1.82
Provision for Employee Benefit	(18.80)	(869.83)	(3.78)	121.23	25.43	(745.75)	(24.72)	(1.27)	-	7.19	-	(18.80)
Other Temporary differences	16.09	437.95	(235.80)	-	(13.28)	204.96	13.86	2.44	-	-	(0.21)	16.09
	50.12	**229.53**	**(221.88)**	**121.23**	**(8.37)**	**170.63**	**45.20**	**(1.58)**	**(0.48)**	**7.19**	**(0.21)**	**50.12**

(a) Numerical Reconciliation between average effective tax rate and applicable tax rate :

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Profit Before tax from Continuing Operations	678.63	922.88
Income Tax using the Company's domestic Tax rate #	170.81	236.53
Tax Effect of :		
- Non deductible Expenses	66.51	59.83
- Tax - Exempt income	4.16	-
- Deduction on account of Expenses allowable in Tax but not claimed in book	(71.28)	(62.95)
- Tax impact on Income charged under Capital Gain	2.48	-
- Changes in recognised deductible temporary differences	(221.04)	16.05
- Changes in recognised deductible temporary differences due to change in tax rate	(0.84)	(18.11)
- Tax impact on notional income / expense	(1.68)	(4.43)
- Difference between Indian Tax Rate and Foreign Tax Rate	(39.99)	(15.35)
Prior-year taxes recognized in current year	129.72	-
Miscellaneous other tax effects	5.73	-
Income Tax recognised in Statement of Profit & Loss from Continuing Operations (Effective Tax Rate)	**44.58**	**211.57**

The Tax rate used for FY21 and 2019-20, in reconciliation above is the corporate tax rate of 25.17% and 25.63% payable by corporate entity in India on taxable profits under the Indian Tax Law.

(b) Income Tax Expense

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Tax:		
Current Income Tax Charge	305.96	213.15
Excess Provision for Tax relating to Prior Years	(39.50)	-
Deferred Tax		
Deferred Tax Charge for the year	(221.88)	(1.58)
Total Tax Expense recognised in statement of profit and loss	**44.58**	**211.57**

The Company controls the dividend policy of its wholly owned subsidiary. It is able to control the timing of the reversal of the temporary difference associated with that investment (including the temporary difference arising from undistributed profits). Therefore, Company has determined that profit will not be distributed in the foreseeable future and has not recognised a deferred tax liability. Undistributed profits of the subsidiary to ₹ 597.00 million (March 31, 2020 ₹ 473.62 million).

Note: 22 **Trade Payables**

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Dues to Micro, Small and Medium Enterprises (Refer Note 42)	44.08	20.95
Dues to other Creditors	2,915.32	620.57
	2,959.40	**641.52**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Note: 23 Other Financial Liabilities

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Current		
Unclaimed dividend (Refer Note below)	2.47	2.52
Payables for Capital Expenditure	20.81	2.06
Employee benefits payable	260.66	131.02
Interest accrued	16.38	-
Current Maturities of Long term Borrowings (Refer Note: 19)	340.70	-
	641.02	**135.60**

The amount of Unclaimed Dividend reflects the position as at March 31, 2021. During the year, the company has transferred an amount of ₹. 0.30 million (Previous year ₹ 0.27 million) to the Investors' Education and Protection Fund in accordance with the provisions of section 125 of the Companies Act, 2013.

Note: 24 Provisions

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Non Current		
Provision for employee benefits (Note (i))	4,555.48	134.34
	4,555.48	**134.34**
Current		
Provision for employee benefits (Note (i))	704.59	21.03
Provision for unexpired warranty (Note (ii))	155.35	27.15
Contract related provisions (Note (iii))	48.97	-
Provision for Selling Expenses (Note (iv))	61.16	-
	970.07	**48.18**

Note

(i) Provision for employee benefits includes amount payable to employees on account of Gratuity, Pension, Medical plan, compensated absences, Partial or Early Retirement and Incentives. Movement of such Provision for employee benefits is disclosed under Note 35.

(ii) As per the contractual terms with customers, group provides warranty to the customers. The provision is made for such returns/rejections on the basis of historical warranty trends as per the policy of the group.

(₹ in million)

Provision for unexpired warranty	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	**27.15**	**21.48**
Add : On account of acquisition through business combination	108.33	
Add: Additional provision made during the year	78.32	22.68
Add/(Less): Exchange differences	(2.53)	0.82
Less: Provision amount used during the year	55.92	17.83
Closing balance	**155.35**	**27.15**

(₹ in million)

(iii) Contract related provisions	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	-	-
Add : On account of acquisition through business combination	27.19	-
Add: Additional provision made during the year	34.01	-
Add/(Less): Exchange differences	(0.49)	-
Less: Provision amount used during the year	11.74	-
Closing balance	**48.97**	**-**

(₹ in million)

(iv) Provision for Selling Expenses	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	-	-
Add : On account of acquisition through business combination	65.27	-
Add: Additional provision made during the year	28.12	-
Add/(Less): Exchange differences	(1.92)	-
Less: Provision amount used during the year	30.31	-
Closing balance	**61.16**	**-**

Note: 25 Other Liabilities

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Non Current		
Advances from customers	64.46	-
Others	59.29	-
	123.75	**-**
Current		
Advances from customers (Net of advances related to unbilled revenue)	2,814.37	640.74
Statutory dues payable	120.63	10.91
	2,935.00	**651.65**

Note: 26 Revenue from Operations

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Sale of Products	9,949.63	5,865.29
Other Operating Revenues	61.56	45.43
	10,011.19	**5,910.72**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Disaggregate Revenue from contracts with customer :

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Technology	7,668.09	5,491.71
Revenue from Systems	841.06	144.05
Revenue from Services	1,502.04	274.96
	10,011.19	**5,910.72**

Reconciliation of Revenue from operations with contract price:

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contract Price	10,152.56	5,948.61
Less : Adjustment made to contract price on account of:		
Sales Return	101.19	13.69
Liquidated Damages	39.87	24.20
Discounts and Rebates	0.31	-
	10,011.19	**5,910.72**

Note: 27 Other Income

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income (Gross)		
- Non - current investments	0.35	0.35
- Deposits with banks	24.02	3.96
- Others	10.17	0.39
Dividend Income		
- Current Investments	-	0.03
Net Gain/ (Loss) on Investments Classified as FVTPL		
- Current Investments	-	12.12
Other non-operating income		
- Profit on sales of fixed assets (Net)	3.67	-
- Miscellaneous Income	67.94	31.25
Net gain on foreign exchange translations	128.64	9.47
	234.79	**57.57**

Note: 28 Cost of materials consumed

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Stock of Raw Materials	565.87	538.25
Add : On account of acquisition through business combination	1,565.50	-
Add: Purchases during the year	3,860.52	2,647.92
	5,991.89	**3,186.17**
Less: Closing stock of Raw Materials	2,129.66	565.87
	3,862.23	**2,620.30**

Note: 29 Changes in inventories of finished goods and work-in-progress

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventory of finished good at the beginning of the year	118.26	67.57
Inventory of work in progress at the beginning of the year	574.11	548.73
	692.37	**616.30**
On account of acquisition through business combination:		
Inventory of finished good	1,309.96	-
Inventory of work in progress	2,331.57	-
	3,641.53	**-**
Inventory of finished good at the closing of the year	1,423.23	118.26
Inventory of work in progress at the closing of the year	2,295.91	574.11
	3,719.14	**692.37**
	614.76	**(76.07)**

Note: 30 Employee benefits expense

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and Wages	1,744.16	770.51
Contribution to Provident and Other Funds	304.34	87.36
Staff Welfare Expenses	26.22	21.91
	2,074.72	**879.78**

Note: 31 Finance costs

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Expense	54.39	2.97
Other financial charges	21.93	11.19
Interest on Lease Liabilities (refer Note 20)	25.49	20.74
	101.81	**34.90**

Contd.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Note: 32 Other Expenses

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power & Fuel	329.26	256.96
Stores & Spares Consumption	310.14	227.67
Repairs to Machinery	56.60	71.61
Repairs to Buildings	14.17	13.86
Repairs- Others	56.29	5.16
Rent (Refer Note 20)	30.24	23.18
Insurance	34.29	14.23
Rates & Taxes	35.87	3.07
Royalty	29.19	29.97
Travel & Conveyance	52.63	54.75
Communication	20.48	13.95
Bad debts written off	-	0.01
Provision for doubtful debts and advances	0.93	3.56
Provision for Warranty expenses	22.40	4.94
Loss on Sale of Fixed Assets	-	2.47
Net Loss on Sale of Investments - Current Investments	0.90	7.97
Net Loss on Investments Classified as FVTPL - Current Investments	0.32	-
Net Loss on Investments Classified as FVTPL - Non Current Investments	-	0.01
Advertisement and sales promotion	9.59	20.43
Commission	30.45	4.40
Legal and professional fees	179.37	52.55
Freight outward	203.40	105.83
Payments to auditors (Refer Note : 34)	6.40	8.25
Expense on CSR activities	12.09	9.44
Miscellaneous Expenses	168.34	87.19
	1,603.35	**1,021.46**

Note: 33 Contingent Liabilities and Commitments

(₹ in million)

A) Contingent Liabilities not provided for:

Particulars	As At March 31, 2021	As At March 31, 2020
1 Claims against the company not acknowledged as debts comprises:		
i) Disputed demands Relating to Indirect Taxes. - Company has preferred appeal against orders for payement under RCM in respect to Service Tax matter. - Company has filed appeal against Assessment order in respect of Sales Tax matter. Management will reasonbly confindent that no liability will devolve on company and hence no liabilities have recognized in the books of account.	18.55	11.70

Particulars	As At March 31, 2021	As At March 31, 2020
ii) Matter decided in favour of the company where the income tax department has preferred appeals. - The Assessing Officer has filed appeal with respect to disallowance of warranty provision for AY 2007-08 and 2008-09. - The company has received order from ITAT Ahmedabad for which ITAT has set aside the issue to CIT (Appeal) in respect of upward adjustment in Arms Length Price for AY 2010-11. - Departement has preferred appeal before ITAT Ahemadabad againt order passed by CIT (Appeal) in respect of upward adjustment in Arms Length Price and disallowance of warranty provision for AY 2011-12 & 2012-13. The management is reasonbly confident that no liability will be arise in future and hence no provision is made in the books of accounts.	52.68	52.68
iii) Disputed demands relating to tax against which the Company has preferred appeals. - The company has received order from ITAT Ahmedabad in which ITAT has set aside the issue to CIT (Appeal) with respect to upward ajdustment of Arms Length Price for AY 2010-11 and the company has filed Misc. application against this order. - The Company has preferred appeal before ITAT Ahemadabad againt order passed by CIT (Appeal) in respect of upward ajdustment of Arms Length Price for AY 2011-12 & 2012-13. - Company has preferred appeal before CIT (Appeal) against the diallowance of education expenditure under Section 143 (3) for AY 2013-14. - Company has preferred appeal before CIT (Appeal) with respect to disallowance of commission paid to non-resident due to non deduction of TDS for AY 2017-18. The management is reasonbly confident that no liability will be arise in future and hence no provision is made in books of account.	2.38	9.40
Note: Against the above, the company has paid ₹ 4.94 million. The expected outflow will be determined at the time of final outcome in respect of concerned matter.		
iv) Labour claims (relates to legal disputes with former employees in Italy and Brazil)	12.25	-
2 Guarantees		
The group has issued various guarantees for performance, deposits, advances etc. The management basis past history and events has considered the probability for outflow of the same to be remote and accordingly no amount has been disclosed here in contingent liability.		

B) Commitments

Particulars	As At March 31, 2021	As At March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	584.74	162.39

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Note: 34 Payments to Auditors

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
As Auditor		
(i) Statutory Audit fees	4.60	1.85
(ii) Limited review fees	1.50	1.50
(iii) Tax audit fees	0.20	0.20
Other services	-	
(i) Certification	-	0.24
Reimbursement of out-of-pocket expenses	0.10	0.57
	6.40	**4.36**

Other than the payment made to auditors as mentioned above, the Company has paid ₹ 4 million for Financial and Tax due diligence service availed as part of acquisition of Pfaudler group entities and it is shown as an exceptional item in statement of profit and loss. (Refer Note 47).

Note: 35 As per Ind AS 19 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

Defined Contribution Plans

The Group operates defined contribution retirement benefit plans for all qualifying employees in the form of provident fund, superannuation fund, family pension fund.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under: (₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Employer's Contribution to Provident Fund	17.36	14.01
Employer's Contribution to Superannuation Fund	5.09	3.05
Employer's Contribution to Pension Scheme	7.54	7.23

Compensated absences and earned leaves

The Group's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy.

Defined Benefit Plans

The group operates a defined benefit plan in form of gratuity plan and pension scheme covering eligible employees, which provide a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

These plans typically expose the group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on planned asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan liability.

In respect of the Defined Benefit Obligation Plan and Compensated absences and earned leaves, the most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at March 31, 2021. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

The amounts recognized in the Group's financial statements as at the year end are as under:

1 Pension and Medical Scheme

(₹ in million)

	As At March 31, 2021	As At March 31, 2020
a. Assumptions :		
US Pension plan		
Discount rate	2.83%	-
US Medical plan		
Discount rate	2.81%	-
UK Pension plan		
Discount rate	2.10%	-
RPI Inflation: For revaluation in deferment For increases in payment	3.45% p.a. 3.20% p.a.	-
CPI Inflation: For revaluation in deferment For increase in payment	2.45% p.a. 2.50% p.a.	-
Revaluation in deferment: CPI max 2.5% p.a. CPI max 5.0% p.a.	2.45% p.a. 2.45% p.a.	-
German Pension plan		
Discount rate	1.14% to 1.25%	-
Price inflation	2.00%	-
Rate of salary increase	2.50%	-
Pension increases for in-payment benefits	1.00%	-
Mexico Pension plan		
Discount rate	7.17%	-
Life Annuity rate	3.50%	-
Salary increase	5.25%	-
Expected long term Inflation	3.70%	-
Switzerland Pension plan		
Discount Rate	0.35%	0.60%
Salary Increase	0.50%	0.50%
Inflation Rate	0.50%	0.50%

Contd.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(₹ in million)

	As At March 31, 2021	As At March 31, 2020
Interest on Old age Account	0.35%	0.60%
Lump sum Payments at retirement	30.00%	30.00%
Mortality Rates	100%*BVG 2020GT	100%*BVG 2015GT
Disability Rates	100%*BVG 2020	100%*BVG 2015
a. Table Showing Change in the Present Value of Projected Benefit Obligation		
Present Value of Benefit Obligation at the Beginning of the Period	849.71	726.08
Addition on account of business combination	9,502.34	-
Interest Cost	26.96	4.05
Current Service Cost	39.77	25.45
Plan participants' contribution	17.11	17.30
(Benefit Paid Directly by the Employer)	(2.58)	-
(Benefit Paid From the Fund)	(58.37)	(18.26)
The Effect Of Changes in Foreign Exchange Rates	(162.45)	93.29
Total Actuarial (Gains)/Losses on Obligations	(531.61)	1.80
Present Value of Benefit Obligation at the End of the Period	**9,680.88**	**849.71**
b. Table Showing Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Period	715.37	571.59
Addition on account of business combination	4,374.08	
Interest Income	18.34	3.27
Contributions by the Employer	20.17	17.37
Expected Contributions by the Employees	17.11	17.30
(Benefit Paid from the Fund)	(37.23)	(18.26)
(Expenses and Tax for managing the Benefit Obligations- paid from the fund) "	(0.82)	(0.74)
The Effect of Changes In Foreign Exchange Rates	(6.94)	77.34
Return on Plan Assets, Excluding Interest Income	(45.34)	47.50
Fair Value of Plan Assets at the End of the Period	**5,054.74**	**715.37**
c. Amount Recognized in the Balance Sheet		
Present Value of Benefit Obligation at the end of the Period	(9,680.88)	(849.71)
Fair Value of Plan Assets at the end of the Period	5,054.74	715.37
Funded Status (Surplus/ (Deficit))	(4,626.14)	(134.34)
Net (Liability)/Asset Recognized in the Balance Sheet	**(4,626.14)**	**(134.34)**
Net Liability reduced due to risk sharing	**(4,535.26)**	**(25.99)**
Current	(144.46)	-
Non Current	(4,481.68)	(134.34)
d. Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	40.59	26.19
Net Interest Cost	8.62	0.78
Expenses Recognized in Statement of Profit or Loss	**49.21**	**26.97**

Contd.

	As At March 31, 2021	As At March 31, 2020
e. Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	531.61	(1.80)
Return on Plan Assets, Excluding Interest Income	(45.34)	47.50
Net (Income)/Expense For the Period Recognized in OCI	**486.27**	**45.70**
f. Category of Assets		
Bonds	2,219.01	256.03
Cash and Cash Equivalents	79.60	17.24
Equity Securities	1,970.47	213.90
Diversified Growth Fund	493.08	-
Real Estate	136.84	166.25
Alternative Investment	17.10	31.55
Qualified Insurance Policy	110.97	-
Others	27.67	30.40
Total	5,054.74	715.37
g. Components of the Defined Benefit Obligation :		
Projected Benefit Obligation (PBO) - Active Participants	3,150.69	676.11
Projected Benefit Obligation (PBO) - Deferred Participants	1,618.41	-
Projected Benefit Obligation (PBO) - Pensioners	4,911.78	173.60
Projected Benefit Obligation (PBO) - Total	**9,680.88**	**849.71**
h. Projected Contribution for next year	232.69	16.58
i. Sensitivity analysis for each significant actuarial assumption		
The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate, expected salary increase, pension escalations and life expectancy. The sensitivity analysis below 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. (₹ in million)		
Delta Effect of +1% Change in Rate of Discounting	(1,152.54)	(31.53)
Delta Effect of -1% Change in Rate of Discounting	1,464.24	33.86
Delta Effect of +1% Change in Rate of Salary Increase	166.41	2.96
Delta Effect of -1% Change in Rate of Salary Increase	(149.84)	(2.91)
Delta Effect of +1% Change in Rate of Pension Escalation	711.62	-
Delta Effect of -1% Change in Rate of Pension Escalation	(618.18)	-
Delta Effect of +1 Year Change in Life Expectancy	224.83	-
Delta Effect of -1 Year Change in Life Expectancy	(220.57)	-

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

2 Below is the movement of other provision for employee benefits payable such as Partial or Early Retirement, Vacation and Holiday , Anniversary Payments and Incentives.

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	-	-
Add : On account of acquisition through business combination	476.61	-
Add: Additional provision made during the year	198.78	-
Add/(Less): Exchange differences	(11.50)	-
Less: Provision amount used during the year	63.26	-
Closing balance	**600.63**	-

3

(₹ in million)

	Gratuity (Funded)		Compensated Absences (Funded)	
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
a. Assumptions :				
Discount Rate	6.95%	6.82%	6.95%	6.82%
Rate of Return on Plan Assets	6.95%	6.82%	6.95%	6.82%
Salary Escalation	7.0%	6.0%	7.00%	6.00%
Mortality	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08
Average Past Service	6.17 Years	6.35 Years	6.67 Years	6.67 Years
Average Age	36.96 Years	36.31 Years	36.96 Years	36.31 Years
Rate of Employee Turnover	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a. **Ultimate Table**	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a. **Ultimate Table**	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a. **Ultimate Table**	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a. **Ultimate Table**
b. Table showing changes in Present value of defined benefit obligation:				
Liability at the beginning of the year	67.89	52.50	30.55	21.22
Interest cost	4.63	4.09	2.08	1.65
Current service cost	6.58	4.60	2.67	1.98
Liabilities Transferred in/ Acquisition	-	3.04	-	1.63
Benefit paid	(6.74)	(2.82)	(1.70)	(1.50)
Actuarial (gains) and loss arising from changes in demographic assumptions	-	-	-	-

Contd.

(₹ in million)

	Gratuity (Funded)		Compensated Absences (Funded)	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Actuarial (gains) and loss arising from changes in financial assumptions	8.44	6.48	4.69	3.48
Actuarial (gains) and loss arising from experience adjustments	6.38	(0.00)	3.65	2.09
Liability at the end of the year	**87.18**	**67.89**	**41.94**	**30.55**
c. Change in Plan Assets:				
Fair value of Plan Assets at the beginning of the year	56.44	47.83	20.97	17.32
Expected Return on Plan Assets	3.85	3.73	1.43	1.36
Assets Transferred in/ Acquisition	-	3.04	-	-
Contributions	11.96	5.08	9.85	3.91
Benefit Paid	(6.74)	(2.82)	(1.70)	(1.50)
Actuarial gain / (loss) on Plan Assets	(0.40)	(0.42)	0.16	(0.12)
Fair value of Plan Assets at the end of the year	**65.11**	**56.44**	**30.71**	**20.97**
d. Actual Return on Plan Assets:				
Expected Return on Plan Assets	3.85	3.73	1.43	1.36
Actuarial gain / (loss) on Plan Assets	(0.40)	(0.42)	0.16	(0.12)
Actual Return on Plan Assets	**3.45**	**3.31**	**1.59**	**1.24**
e. Amount Recognized in the Balance Sheet:				
Present value of Funded defined benefit obligation at the end of the year	87.18	67.89	41.94	30.55
Fair value of Plan Assets at the end of the year	65.11	56.44	30.71	20.97
Net (Liability)/Asset Recognized in the Balance Sheet	**(22.07)**	**(11.45)**	**(11.23)**	**(9.58)**
f. Expenses Recognized in the Statement of Profit & Loss :				
Current Service cost	6.58	4.60	2.67	1.98
Interest Cost	0.78	0.36	0.65	0.29
Net Actuarial (gain) / loss to be recognized	15.22	6.90	8.18	5.69

Contd.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(₹ in million)

		Gratuity (Funded)		Compensated Absences (Funded)	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Expense / (Income) Recognized in Statement of Profit & Loss	**22.58**	**11.86**	**11.50**	**7.96**
g.	**Balance Sheet Reconciliation:**				
	Opening Net Liability	11.45	4.67	9.58	3.90
	Expenses recognised in Statement of Profit & Loss	7.36	4.96	11.50	7.96
	Net Liability Transfer In	-	-	-	1.63
	Expenses recognised in OCI	15.22	6.90	-	-
	Employers Contribution	(11.96)	(5.08)	(9.85)	(3.91)
	Net Liability / (Assets) Recognized in Balance Sheet	**22.07**	**11.45**	**11.23**	**9.58**
	Current	18.58	11.45	11.23	9.58
	Non Current	3.49	-	-	-
h.	**Other Details:**				
	Gratuity is payable at the rate of 15 days salary for each year of service				
	Salary escalation is considered as advised by the Company which is in line with the industry practice considering promotion and demand and supply of the employees.				
i.	**Experience Adjustment**				
	Actuarial (Gains)/Losses on Obligations - Due to Experience	6.38	(0.00)	3.65	2.09
	Actuarial (Gains)/Losses on Plan Assets - Due to Experience	0.40	0.42	0.16	(0.12)
j.	**Projected Contribution for next year**	**18.57**	**15.13**	**15.36**	**12.25**

k. Sensitivity analysis for each significant actuarial assumption

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below 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. (₹ in million)

(₹ in million)

Particulars	March 31, 2021	March 31, 2020
Projected Benefit obligation on current assumption	87.16	67.89
Impact of increase in discount rate by 1%	(9.51)	(6.67)
Impact of decrease in discount rate by 1%	11.46	7.99

Contd.

(₹ in million)

Particulars	March 31, 2021	March 31, 2020
Impact of increase in salary escalation rate by 1%	11.34	7.98
Impact of decrease in salary escalation rate by 1%	(9.59)	(6.77)
Impact of increase in rate of employee turnover by 1%	(0.22)	0.43
Impact of decrease in rate of employee turnover by 1%	0.23	(0.51)

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

l. Investment details of plan assets

The Plan assets are managed by Insurance group viz. Life Insurance Corporation of India which has invested the funds substantially as under :

Particulars	Gratuity		Leave Encashment	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Insurance Fund	65.11	56.44	30.71	20.97
Total	**65.11**	**56.44**	**30.71**	**20.97**

m. Maturity Profile

Particulars	Gratuity	
	As at March 31, 2021	As at March 31, 2020
1st Following Year	4.13	8.34
2nd Following Year	3.26	2.80
3rd Following Year	4.21	3.58
4th Following Year	5.24	3.38
5th Following Year	7.11	4.53
Sum of Years 6 to 10	26.30	20.79
Sum of Years 11 and above	197.67	130.27

n. Asset-liability matching strategies

In respect of gratuity and Leave encashment plan, the Company contributes to the insurance fund based on estimated liability of the next financial year end. The projected liability statement is obtained from the actuarial valuer.

Note: 36 Financial Instruments

36.1 Capital Management

For the purposes of the Group's capital management, capital includes issued capital and all other equity. The primary objective of the Group's capital management is to maximise shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). The Group is not subject to any externally imposed capital requirement.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(₹ in million)

	As At March 31, 2021	As At March 31, 2020
(a) Interest bearing loans and borrowings	4,916.66	112.26
(b) Less: cash and bank balance (including other bank balance)	2,922.75	763.89
(c) Net debt (a) - (b)	**1,993.91**	**(651.63)**
(d) Equity share capital	29.23	29.23
(e) Other equity	4,042.18	3,261.28
(f) Total capital (d) + (e)	**4,071.41**	**3,290.51**
(g) Total capital and net debt (c) + (f)	**6,065.32**	**2,638.88**
(h) Gearing ratio (c)/(g)	**32.87%**	**-24.69%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

36.2 Categories of Financial Instruments :

(₹ in million)

	As At March 31, 2021	As At March 31, 2020
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) mandatorily measured		
(i) Investment in Growth mutual fund	6.68	356.63
(b) designated as at FVTPL		
(i) Investment in equity instruments	0.01	4.70
Measured at amortised cost		
(a) Cash and bank balances	2,922.75	763.89
(b) Other financial assets at amortised cost		
(i) Trade Receivables	3,096.14	743.29
(ii) Loans	0.78	169.73
(iii) Others	774.13	450.99
Financial liabilities :		
Measured at amortised cost		
Borrowings	4,575.96	112.26
Lease Liabilities	1,409.55	231.99
Trade Payables	2,959.40	641.52
Others	641.02	135.60

36.3 Financial risk management objectives

The group's corporate treasury function provides services to the business, coordinates access to domestic and international financial market, monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyse exposures by degree and magnitude of the risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

36.3.1 Market Risk management

Market risk refers to the possibility that changes in the market rates may have impact on the group's profits or the value of its holding of financial instruments. The group is exposed to market risks on account of foreign exchange rates, interest rates and underlying investment prices.

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and investment prices.

(a) Foreign currency exchange rate risk:

The group's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than the functional currency of the group.

The Group operates locally in India and internationally and a portion of the business is transacted in several currencies and consequently, the Group at consolidated level is exposed to foreign exchange risk through its business transactions in the India and Oversees.

Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The foreign currency risk from financial assets and liabilities as at March 31, 2021 is as follows :

Particulars	Cash and cash equivalents	Trade receivables	Other financial assets	Trade payables	Other financial liabilities	Net asset (liabilities)
EUR	679.17	1,006.78	215.37	(665.09)	(1,544.54)	(308.31)
GBP	298.00	121.68	-	(96.80)	(34.91)	287.97
CNY	287.45	37.53	57.73	(121.42)	(189.55)	71.74
MXN	70.57	20.79	1.30	(7.16)	(13.44)	72.06
BRL	128.61	70.10	1.11	(56.56)	(1.46)	141.80
SGD	1.04	2.87	-	-	-	3.91
USD	44.18	110.88	9.87	(9.62)	(593.68)	(438.37)
CHF	-	-	-	(0.10)	-	(0.10)
JPY	-	-	-	(13.92)	-	(13.92)
SAR	-	-	-	(1.51)	-	(1.51)

The foreign currency risk from financial assets and liabilities as at March 31, 2020 is as follows :

Particulars	Cash and cash equivalents	Trade receivables	Other financial assets	Trade payables	Other financial liabilities	Net asset (liabilities)
EUR	28.15	9.21	-	(5.01)	-	32.35
GBP	-	-	-	(0.32)	-	(0.32)
USD	10.93	2.57	-	0.06	-	13.56
CHF	-	(6.77)	-	0.98	-	(5.79)

With respect to the Group's financial instruments (as given above), a 5% increase / decrease in relation to foreign currency rate on the underlying would have resulted in increase /decrease of ₹ 9.24 million (₹ 1.99 million) in the Group's net profit for the year ended March 31, 2021 and March 31, 2020 respectively.

(b) Interest rate risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group have outstanding borrowings of ₹ 4,916.66 million and ₹ 112.26 million at the end of March 31, 2021 and March 31, 2020 respectively. The impact of increase/ decrease of 50 basis points in interest rates would result in increase/decrease of ₹ 0.27 million (₹.0.01 million) in the Company's net profit for the year ended March 31, 2021 and March 31, 2020 respectively.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(c) Other price risk

The group is exposed to price risks arising from its investments which are held for strategic as well as trading purposes.

The sensitivity analysis have been determined based on the exposure to price risks for Investments in equity shares of other companies and mutual funds at the end of the reporting period.

If prices had been 5% higher/lower:

Profit for the year ended 31 March, 2021 would increase/decrease by ₹ 0.33 million (for the year ended March 31, 2020 ₹ 18.07 million) as a result of the change in fair value of investments.

36.3.2 Credit risk management

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables.

All trade receivables are subject to credit risk exposure. The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business.

The group does not have significant concentration of credit risk related to trade receivables and there are no customers which contribute to more than 5% of total outstanding accounts receivable as at any reporting period end.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 6,800.49 million and ₹ 2,489.23 million as at March 31, 2021 and 31-March-2020 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments excluding investments in subsidiary companies, and these financial assets are of good credit quality including those that are past due.

36.3.3 Liquidity risk management:

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The table below include only principal cash flows in relation to non-derivative financial liabilities.

(₹ in million)

Particulars	Up to 1 Year	1 to 5 years	5 years and above
As at March 31, 2021			
Trade payable	2,959.40	-	-
Other Financial Liabilities	641.02	-	-
Borrowing	148.42	1,757.72	2,669.82
Lease Liabilities	193.91	635.40	580.25
Total	**3,942.75**	**2,393.12**	**3,250.07**
As at March 31, 2020			
Trade payable	641.52	-	-
Other Financial Liabilities	135.60	-	-
Borrowing	112.26		
Lease Liabilities	55.40	176.59	
Total	**944.78**	**176.59**	**-**

The following table details the group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ in million)

Particulars	Up to 1 Year	1 to 5 years	5 years and above
As at March 31, 2021			
Current Investments	6.68	-	-
Trade receivables	3,096.14	-	-
Cash & Cash equivalents	2,434.69	-	-
Bank balances other than above	488.06	-	-
Current Financial assets-Loans	0.78	-	-
Other Financial Assets	742.11	-	-
Non current Investments	-	0.01	-
Other Non current Financial assets	-	32.02	-
Total	**6,768.46**	**32.03**	**-**
As at March 31, 2020			
Current Investments	356.63	-	-
Trade receivables	743.29	-	-
Cash & Cash equivalents	477.75	-	-
Bank balances other than above	286.14	-	-
Current Financial assets-Loans	169.73	-	-
Other Financial Assets	423.21	-	-
Non current Investments	-	4.70	-
Other Non current Financial assets	-	27.78	-
Total	**2,456.75**	**32.48**	**-**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Note: 37 Fair Value Measurements

This note provides information about how the group determines fair values of various financial assets and financial liabilities.

Fair Value of the group's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Financial Assets / financial liabilities	Fair Value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2021	March 31, 2020		
1. Investments in Mutual Funds (Note 9)	6.68	356.63	Level 1	Quoted bid prices in an active market
2. Investments in equity instruments (Unquoted) (Note 9)	0.01	0.01	Level 3	Net asset approach - value per equity share of investment is derived by dividing net assets of group with total no. of equity shares issued by the group
3. Investments in Government Securities (Quoted) (Note 9)	4.50	4.69	Level 1	Quoted bid prices in an active market

Note 1: Significant unobservable inputs for Financial Instruments classified under "Level - 3" Fair Value hierarchy are Net Assets of the investee group as on the date of Fair Valuation.

Note 2: Reconciliation of Level 3 fair value measurements

(₹ in million)

Particulars	Unlisted Equity Instrument
Opening Balance as at April 1, 2019	**0.01**
Total Gain/(Loss) in statement of Profit & Loss	-
Closing Balance as at March 31, 2020	0.01
Opening Balance as at April 1, 2020	0.01
Total Gain/(Loss) in statement of Profit & Loss	-
Closing Balance as at March 31, 2021	**0.01**

Note: 38 Related Party Disclosures

(I) List of Related parties

(a) Parties where control exists:		
(i) Ultimate Holding Company		
Pfaudler International s.a.r.l.	Upto 31/01/2021	
(ii) Holding Company		
Pfaudler Inc.	Upto 31/01/2021	
(b) Fellow Subsidiaries		
Pfaudler GMBH	Upto 31/01/2021	
Pfaudler Balfour Ltd.		
Edlon PSI Inc.		
Suzhou Pfaudler Glass Lined Equipment Co. Ltd.		
Glasteel Parts and Services, Inc. United States		
Pfaudler s.r.l.		
Pfaudler Limited		
Pfaudler Rochester,USA		

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Pfaudler Process Solution Group U.K. Limited		
Pfaudler LtdA, Brazil		
Normag Labournd Prozees Technik GMBH		
Interseal Dipl. - Ing. Rofl Schmitz GMBH	Upto 31/01/2021	
Pfaudler Services Benelux B.V		
Pfaudler Normag System GMBH		
Pfaudler Interseal Gmbh		
(c) Key management personnel		
Mr. Tarak A. Patel	Managing Director	
Mr. Ashok C. Pillai	Chief Operating Officer	
Mr. Manish Poddar	Chief Integration Officer	from 21/10/2020 to 19/01/2021
Mr. Manish Poddar	Chief Financial Officer	w.e.f 20/01/2021
Ms. Mittal Mehta	Company Secretary	
Mr. Jugal Sahu	Chief Financial Officer	Upto 19/01/2021
(d) Relative of Key management personnel		
Mr. Ashok J Patel	Father of Mr. Tarak A. Patel	
Mrs. Urmi A. Patel	Mother of Mr. Tarak A. Patel	
Mrs. Uttara G. Gelhaus	Sister of Mr. Tarak A. Patel	
Mrs. Payal T. Patel	Wife of Mr. Tarak A. Patel	
(e) Enterprises over which key managerial personnel have significant influence		
Skyline Millars Ltd.		
Ready Mix Concrete Ltd.		
Ashok J Patel - HUF		
A J Patel Charitable Trust		
JV Patel & Co.		
Prestige Tefparts Private Ltd		
Millars Concrete Technologies Private Ltd		
Solaris Chemtech Industries Ltd		

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(II) Transactions with related parties

(₹ in million)

Transaction	Holding Company		Fellow Subsidiaries		Key Management Personnel		Relative of Key Management Personnel		Other Related Parties	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Purchase of goods	-	1.23	52.07	75.90	-	-	-	-	-	6.68
Sale of goods	27.99	202.33	192.41	158.05	-	-	-	-	0.41	-
Services received	-	2.44	-	0.08	-	-	-	-	0.30	-
Services provided	1.91	5.89	0.13	4.47	-	-	-	-	-	-
Royalty	29.19	29.97	-	-	-	-	-	-	-	-
Lease Rent paid	-	-	-	-	-	-	-	-	58.05	57.23
Remuneration *	-	-	-	-	96.45	69.50	13.67	12.61	-	-
Dividend paid	31.67	33.18	-	-	0.87	0.79	3.98	3.59	2.65	2.39
Directors Sitting Fees	-	-	-	-	7.15	3.90	-	-	-	-
Loan Given	-	-	-	168.76	-	-	-	-	-	-
Commission Payment	1.14	-	-	-	-	-	-	-	-	-
Repayment of Loan	-	-	168.76	-	-	-	-	-	-	-
Balance outstanding#										
Payables	-	-	-	9.74	49.29	36.41	-	-	0.18	-
Receivables	-	20.95	-	26.27	-	-	-	-	-	-
Loan Given	-	-	-	168.76	-	-	-	-	-	-
Advance Received	-	0.05	-	10.56	-	-	-	-	4.49	-
Advance Given	-	-	-	11.31	-	-	-	-	-	-
Deposit outstanding	-	-	-	-	-	-	-	-	24.15	23.70

Balance outstanding are exclusive of unrealised foreign exchange gain / (loss)

* Additional remuneration of ₹ 6.08 million is proposed to be paid to the Managing Director for the FY21 subject to the approval of shareholders at the ensuing Annual General Meeting (for additional details kindly refer to explanatory note to item no. 8 of the Notice of AGM).

(III) Significant Related Party Transactions are as under:

(₹ in million)

Nature of transactions	Name of Party	Year Ended March 31, 2021	Year Ended March 31, 2020
Purchase of goods	Pfaudler GMBH	28.93	27.71
	Pfaudler Interseal GmbH	17.91	38.64
	Pfaudler Normag GmbH	-	8.76
Sale of goods	Pfaudler Inc.	28.00	202.33
	Pfaudler S.r.l	168.51	57.58
	Suzhou Pfaudler Glass Lined Equipment Co. Ltd.	1.46	38.33
Services received	Pfaudler Inc.	-	2.44
	Millars Machinery Company Pvt. Ltd.	0.29	-
Services provided	Pfaudler Inc.	1.91	5.89
	Suzhou Pfaudler Glass Lined Equipment Co. Ltd.	-	4.13
Lease rent paid	Ready Mix Concrete . Ltd.	29.19	28.89
	J V Patel & Co.	27.22	27.22
Royalty	Pfaudler Inc.	36.67	29.97
Remuneration paid	Mr. Ashok Patel	13.67	12.61
	Mr. Tarak A. Patel	68.75	44.59
	Mr. Ashok Pillai	12.91	11.45
	Mr. Jugal Sahu (upto January 20, 2021)	6.49	8.20
	Mr. Manish Poddar (from October 21, 2020)	4.90	-
Dividend paid	Pfaudler Inc	31.67	33.18
Commission Payment	Pfaudler Inc	1.14	-
Repayment of loan	Pfaudler GMBH	168.76	-
Balances outstanding as on March 31, 2021			
Payables	Pfaudler GMBH	-	7.37
	Pfaudler Interseal GmbH	-	2.37
Receivables	Pfaudler s.r.l	-	9.38
	Pfaudler Inc.	-	20.95
Advance Received against order	Pfaudler s.r.l	-	10.56
Advance Given against order	Pfaudler Normag System GmbH	-	11.31
Loan Given	Pfaudler GMBH	-	168.76
Deposit outstanding	Ready Mix Concrete . Ltd.	12.30	12.30
	J V Patel & Co.	11.40	11.40
Key Managerial Personal			
Payable	Mr. Tarak A. Patel	44.30	32.25
	Mr. Ashok Pillai	3.64	2.70
	Mr. Jugal Sahu	0.75	1.05

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

(₹ in million)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Short-term employee benefits	100.87	67.41
Post-employment benefits	2.61	2.89
Other long-term benefits	0.12	0.12
Total	**103.60**	**70.42**

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Note: 39 **Segment Reporting**

(a) Reportable segment based on geographical area

(₹ in million)

Particulars	India		Overseas		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue :						
Total External Sales	6,165.50	5,047.98	3,845.69	862.74	10,011.19	5,910.72
Segment Results:						
Profit / (Loss) before Tax and Interest	**1,123.79**	**855.24**	**(343.35)**	**102.54**	**780.44**	**957.78**
Less: Interest Expense					101.81	34.90
Profit/(Loss) Before Tax					**678.63**	**922.88**
Taxes					44.58	211.57
Net Profit after Tax					**634.05**	**711.31**
Segment Assets	4,881.60	4,094.74	19,293.33	1,201.43	24,174.93	5,296.17
Total Assets	**4,881.60**	**4,094.74**	**19,293.33**	**1,201.43**	**24,174.93**	**5,296.17**
Segment Liabilities	2,941.12	1,574.86	15,929.07	430.80	18,870.19	2,005.66
Total Liabilities	**2,941.12**	**1,574.86**	**15,929.07**	**430.80**	**18,870.19**	**2,005.66**
Capital Expenditure	789.61	575.74	72.88	48.58	862.49	624.32
Depreciation	225.71	145.66	98.47	25.11	324.18	170.77

Notes

1) Considering the recent acquition of majority stake in Pfaudler business, the Group has internally reorganized its business segments in line with the reviews performed by Chief operating decision maker (CODM) regarding resource allocation and performance management, the group has classified geography (India and Overseas) as reportable segments which is in line with Ind AS 108, Operating Segments.
2) Segment revenue, results, assets and liabilities include amounts that are directly attributable to the respective segments. Amounts not directly attributable have been allocated to the segments on the best judgment of the management in the absence of detailed internal financial reporting system.
3) All reporting segments within the group follow a common accounting policies described in Note 4.
4) In accordance with 'Ind AS 108 – Operating Segments', the segment information in respect of previous year reported have been regrouped based on geography (India and Overseas).

Entity wide Disclosure

(₹ in million)

Non-current operating assets:	March 31, 2021	March 31, 2020
India	1,805.68	1,299.17
Overseas	8,037.97	-
Total	**9,843.65**	**1,299.17**

(b) Revenue from external customers for each product line

(₹ in million)

Product line	Total	
	March 31, 2021	March 31, 2020
Technologies	7,668.09	5,491.71
Systems	841.06	144.05
Services	1,502.04	274.96
Total	**10,011.19**	**5,910.72**

Note: 40 **Corporate Social Responsibility (CSR) Expenditure**

Expenditure related to CSR as per section 135 of Companies Act, 2013 read with schedule VII thereof, against the mandatory spend of ₹ 12.09 million is as follows:

Sr. No.	Sector / Activity Identified	CSR Project	Location	Implementing Agency	Budget ₹ in million	Amount Spent ₹ in million
1	Hospital / Rural Healthcare	Contribution for promoting rural healthcare	Karamsad, Gujarat	Charutar Arogya Mandal	7.25	7.25
2	Skill Development	Contribution to Gujarat Audyogik V & V Trust ITI for skill development programme	Karamsad, Gujarat	Gujarat Audyogik V & V TRUST ITI	2.00	2.00
3	Environment Sustainability	Contribution to Sardar Patel Trust for upkeep and maintenance of Sanitation facilities and other public facilities	Karamsad, Gujarat	Sardar Patel Trust	0.64	0.64
4	Environment Sustainability	Contribution to Reefwatch Marine Conservation for project Re(ef) Generate at Andaman Islands	Andaman - Nicobar Island, India	Reefwatch Marine Conservation	1.00	1.00
5	Environment Sustainability	Contribution to Sardar Patel Renewable Energy Research Institute	Karamsad, Gujarat	Sardar Patel Renewable Energy	0.60	0.60
6	Environment Sustainability	Contribution to Reefwatch Marine Conservation for project Re(ef) Generate at Karnata Beach Coast	Karamsad, Gujarat	Reefwatch Marine Conservation	0.60	0.60
				Total	**12.09**	**12.09**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Note: 41 Earning Per Share

Particulars		Year Ended March 31, 2021	Year Ended March 31, 2020
a)	Net profit for the year available to equity shareholders after Tax in million in ₹	733.64	711.33
b)	Weighted average number of Equity Shares during the year	1,46,17,500	1,46,17,500
c)	Face value of Equity Share in ₹	2	2
d)	Basic and diluted earnings per share ₹	50.19	48.66

Note: 42 Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2020-21, to the extent the Group has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in million)

Particulars		Year Ended March 31, 2021	Year Ended March 31, 2020
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
	Principal amount due to micro and small enterprise	44.08	20.95
	Interest due on above	-	-
(ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note: 43 **Additional Information As Required Under Schedule III To The Companies Act, 2013 Of Enterprises Consolidated As Subsidiaries**

(a) As at and for the year ended March 31, 2021

Sr. No.	Name of Entity	Net Asset i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated net asset	(₹ in million)	As % of Consolidated net asset	(₹ in million)	As % of Consolidated other comprehensive Income	(₹ in million)	As % of Consolidated profit or loss	(₹ in million)
	Holding Co.								
	GMM Pfaudler Limited	67.36	3,573.50	149.99	951.02	(6.42)	(15.22)	107.42	935.79
	Subsidiaries								
	Foreign-								
1	Mavag AG	17.04	903.98	15.99	101.36	5.61	13.30	13.16	114.67
2	GMM International S.a.r.l	68.59	3,638.33	(12.47)	(79.05)	-	-	(9.08)	(79.05)
3	Pfaudler GmbH (Germany)	12.39	657.51	(0.78)	(4.96)	57.47	136.22	15.07	131.26
4	Pfaudler Normag Systems GmBH (Germany)	16.35	867.35	(9.20)	(58.33)	0.24	0.57	(6.63)	(57.76)
5	Pfaudler Interseal GmbH (Germany)	11.94	633.45	2.97	18.86	-	-	2.17	18.86
6	Pfaudler services Benelux B.V. (Netherlands)	5.97	316.44	(0.53)	(3.35)	-	-	(0.38)	(3.35)
7	Pfaudler s.r.l. (Italy)	16.23	860.81	(2.16)	(13.72)	-	-	(1.58)	(13.72)
8	Pfaudler Limited (UK)	31.60	1,676.08	(3.57)	(22.64)	(0.37)	(0.88)	(2.70)	(23.52)
9	Pfaudler (Chang Zhou) Process Equipment Company Limited (China)	10.04	532.77	(4.69)	(29.77)	-	-	(3.42)	(29.77)
10	Pfaudler SA de CV (Mexico)	2.77	147.18	(0.74)	(4.70)	6.97	16.53	1.36	11.83
11	Edlon, Inc. (USA)	23.66	1,254.92	14.25	90.34	-	-	10.37	90.34
12	GMM Pfaudler US Inc (USA)	34.67	1,839.25	(18.24)	(115.64)	30.95	73.35	(4.85)	(42.29)
13	Pfaudler Ltda. (Brazil)	15.48	821.26	1.00	6.37	-	-	0.73	6.37
14	Pfaudler Private Limited (Singapore)	0.01	0.30	0.01	0.09	-	-	0.01	0.09
	Consolidation Adjustment	(234.10)	(12,418.39)	(31.83)	(201.83)	5.55	13.15	(21.65)	(188.68)
	Total		**5,304.74**		**634.05**		**237.02**		**871.07**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(b) As at and for the year ended March 31, 2020

Sr. No.	Name of Entity	Net Asset i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consoli-dated net asset	(₹ in million)	As % of Consoli-dated profit or loss	(₹ in million)	As % of Consolidated other comprehensive Income	(₹ in million)	As % of Consoli-dated profit or loss	(₹ in million)
	Holding Co.								
	GMM Pfaudler Limited	79.04	2,710.80	87.34	621.23	(6.30)	(6.90)	74.86	614.33
	Subsidiaries								
	Foreign-								
1	GMM Mavag AG	11.76	403.12	0.35	2.51	-		0.31	2.51
2	Mavag AG	22.83	782.99	12.70	90.37	35.20	38.50	15.70	128.87
	Consolidation Adjustment	(13.64)	(467.64)	(0.40)	(2.80)	71.11	77.77	9.14	74.97
	Total		**3,429.27**		**711.31**		**109.37**		**820.68**

Note: 44 The Group had announced signing of definitive agreements to acquire De Dietrich Process Systems India Pvt. Ltd's (DDPSI) Glass Lined Equipment manufacturing facility in Hyderabad on the June 30, 2020 at a consideration of ₹ 545.07 million at fair value of assets and liabilities. The Company has concluded the acquisition on October 05, 2020 and have started commercial operations from October 19, 2020.

The fair value of asset and liabilities acquired have been accounted for using the acquisition method of accounting in accordance with Ind AS 103 "Business Combination". The following assets and liabilities are recognised as at the date of acquisition:

Particulars	Amount (₹ in Millions)
Land	359.00
Building	32.00
Property, Plant & Equipment	35.22
Other Intangible Assets	118.85
Net Assets	**545.07**

Note: 45 **Goodwill on consolidation**

(₹ in million)

Sr.No.	Particulars	As At March 31, 2021	As At March 31, 2020
1.	Opening Balance	-	138.76
2.	Add: On acquisition of subsidiaries during the year	-	-
3.	Adjusted pursuant to Merger (Refer Note - 49)	-	(138.76)
4.	Less: Accumulated impairment	-	-
	Total	**-**	**-**

Note: 46 Non-controllling interest

(₹ in million)

Particulars	As At March 31, 2021	As At March 31, 2020
Balance at the beginning of the year	-	-
Non-Controlling Interests arising on the acquisition	1,217.73	-
Share of Profit for the year	(99.59)	-
Movement during the year in Foreign Currency Translation Reserve	(42.60)	-
Share of Other Comprehensive Income for the year	157.79	-
Total	**1,233.33**	**-**

Note: 47 Business combination

The Group has acquired majority stake (54%) in Pfaudler overseas business through an SPV - GMM International S.a.r.l. on a going concern basis in terms of definite agreement on August 20, 2020 at a consideration of ₹ 2,015.58 million.

The fair value of asset and liabilities acquired have been accounted for using the acquisition method of accounting in accordance with Ind AS 103 "Business Combination".

47.1 Subsidiaries acquired

(₹ in million)

Particulars	Principal activity	Date of acquisition	Proportion of voting equity interests acquired (%)	Consideration transferred (in INR million)
GMM International S.a.r.l	Special Purpose Vehicle (SPV)	20-Aug-20	54.00%	1.57
Pfaudler GmbH (Germany)	Corrosion-resistant technologies, systems and related services	01-Feb-21	54.00%	70.56
Pfaudler Normag Systems GmBH (Germany)		01-Feb-21	54.00%	
Pfaudler Interseal GmbH (Germany)		01-Feb-21	54.00%	
Pfaudler France S.à r.l. (Germany)		01-Feb-21	54.00%	
Pfaudler s.r.l. (Italy)		01-Feb-21	54.00%	277.12
Pfaudler Limited (UK)		01-Feb-21	54.00%	479.32
Pfaudler services Benelux B.V. (Netherlands)		01-Feb-21	54.00%	95.55
Pfaudler Private Limited (Singapore)		01-Feb-21	54.00%	0.40
Pfaudler Ltda. (Brazil)		01-Feb-21	54.00%	307.65
Pfaudler SA de CV (Mexico)		01-Feb-21	54.00%	44.01
Pfaudler (Chang Zhou) Process Equipment Company Limited (China)		01-Feb-21	54.00%	140.35
GMM Pfaudler US Inc (USA)		01-Feb-21	54.00%	599.05
Edlon, Inc. (USA)		01-Feb-21	54.00%	
Glasteel Parts and Services, Inc. (USA)		01-Feb-21	54.00%	

Notes to Consolidated Financial Statements for the year ended March 31, 2021

47.2 Consideration transferred

The above mentioned consideration is paid through cash.

Acquisition-related costs amounting to ₹ 201.82 million have been excluded from the consideration transferred and have been recognized as an expense in profit or loss in the current year, within the 'exceptional item' line item. Exceptional item also includes ₹ 133.35 million acquisition-related costs incurred by overseas subsidiary.

47.3 Assets acquired and liabilities recognized at the date of acquisition

(₹ in million)

Particulars	GMM International S.à.r.l.	Pfaudler GmbH	Pfaudler Normag Systems GmbH	Pfaudler interseal GmbH	Pfaudler Service BeNeLux B.V.	Pfaudler S.r.l.	Pfaudler Limited
Non-current assets							
(a) Property, Plant & Equipment	-	678.82	163.48	14.06	0.78	475.55	129.36
(b) Right of Use Assets	8.83	861.20	12.65	86.89	10.58	33.15	26.88
(c) Capital work-in-progress	-	0.85	-	-	-	-	0.40
(d) Other Intangible Assets	-	661.02	422.05	183.53	91.52	360.72	291.13
(i) Investments	6,617.29	1,881.21	-	-	-	-	63.69
(ii) Others	-	-	-	-	-	-	-
(e) Deferred Tax Assets (net)	-	418.14	14.83	-	-	29.98	68.78
(f) Other non-current assets	-	-	-	-	-	-	-
Current Assets							
(a) Inventories	-	1,116.19	435.25	235.66	34.73	408.43	515.81
(b) Financial Assets							
(i) Trade Receivables	-	393.38	46.43	89.10	58.77	367.11	145.39
(ii) Cash & Cash Equivalents	2.02	241.47	77.87	45.77	102.06	170.27	320.80
(iii) Bank balances other than (ii) above	-	-	-	-	-	-	-
(iv) Loans	-	2,303.05	-	-	-	-	756.12
(v) Others	-	91.68	21.87	0.02	0.04	0.20	-
(c) Other current assets	0.30	95.94	11.15	10.61	7.25	35.07	67.33
Accumulated retained earnings	2.74	-	-	-	-	-	-
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	-	(485.45)	(13.29)	-	-	-	-
(ii) Lease Liablities	(7.14)	(785.67)	(8.33)	(70.73)	(6.08)	(25.30)	(18.72)
(b) Deferred tax liabilities (Net)	-	(219.67)	(170.44)	(65.75)	(27.89)	(124.23)	(85.66)
(c) Provisions	-	(4,376.67)	(3.91)	-	-	(33.73)	(350.46)
(d) Other Non-current liabilities	-	(8.57)	-	-	-	(53.44)	(0.28)
Current liabilities							
(a) Financial Liabilities							
(i) Lease Liablities	(1.69)	(75.53)	(4.32)	(16.16)	(4.50)	(7.85)	(8.16)
(ii) Trade payables due to	-	-	-	-	-	-	-
Other than Micro & Small Enterprise	(57.32)	(270.30)	(60.82)	(33.66)	(41.81)	(549.33)	(152.26)
(iii) Others	(2,845.81)	(22.63)	(153.29)	(133.39)	(2.72)	-	(22.14)

Contd.

(₹ in million)

Particulars	GMM International S.à.r.l.	Pfaudler GmbH	Pfaudler Normag Systems GmbH	Pfaudler interseal GmbH	Pfaudler Service BeNeLux B.V.	Pfaudler S.r.l.	Pfaudler Limited
(b) Provisions	-	(329.62)	(50.34)	(14.70)	(14.72)	(113.59)	(34.39)
(c) Current tax liabilities (net)	-	(39.74)	-	(2.21)	(12.92)	(37.49)	4.94
(d) Other current liabilities	-	(401.46)	(163.03)	(2.49)	(7.98)	(123.88)	(203.21)
Net asset acquired	**3,719.22**	**1,727.64**	**577.81**	**326.55**	**187.11**	**811.64**	**1,515.35**

47.3 Assets acquired and liabilities recognized at the date of acquisition (contd.)

Particulars	Pfaudler (Chang Zhou) Process Equipment Company Limited	Pfaudler S.A. de C.V.	Edlon Inc.	GMM Pfaudler US Inc.	Pfaudler Ltda.	Pfaudler Private Limited	Consolidation adjustments	Total
Non-current assets								
(a) Property, Plant & Equipment	388.21	-	154.55	503.12	15.38	-	-	2,523.31
(b) Right of Use Assets	192.38	14.22	1.59	20.24	1.68	-	-	1,270.29
(c) Capital work-in-progress	-	-	4.42	12.14	0.10	-	-	17.91
(d) Other Intangible Assets	346.94	23.47	197.83	1,643.41	233.29	-	-	4,454.91
(i) Investments	-	-	-	997.95	-	-	(9,560.14)	-
(ii) Others	-	1.31	-	-	1.17	-	-	2.48
(e) Deferred Tax Assets (net)	25.96	4.73	148.67	559.38	13.75	-	(988.62)	295.60
(f) Other non-current assets	62.45	0.03	-	0.23	-	-	-	62.71
Current Assets								
(a) Inventories	573.30	15.22	334.06	1,324.80	213.58	-	-	5,207.03
(b) Financial Assets								
(i) Trade Receivables	83.36	22.18	65.59	454.13	175.37	-	(258.09)	1,642.72
(ii) Cash & Cash Equivalents	38.02	71.58	204.99	424.36	78.22	0.44	-	1,777.87
(iii) Bank balances other than (ii) above	171.36	-	-	-	-	-	-	171.36
(iv) Loans	73.32	-	-	-	-	-	(3,132.49)	-
(v) Others	150.42	-	-	76.66	-	-	(51.70)	289.19
(c) Other current assets	181.55	5.50	7.91	151.28	34.92	3.33	(39.75)	572.39
Accumulated retained earnings	-	-	-	-	-	-	-	2.74
Non-current liabilities								
(a) Financial Liabilities								
(i) Borrowings	-	-	-	(2,857.61)	-	-	-	(3,356.35)
(ii) Lease Liablities	(191.44)	(10.63)	(1.13)	(8.01)	(0.77)	-	-	(1,133.95)
(b) Deferred tax liabilities (Net)	(97.41)	(9.47)	(84.26)	(526.66)	(102.31)	-	988.62	(525.13)
(c) Provisions	-	-	-	(289.38)	-	-	-	(5,054.15)
(d) Other Non-current liabilities	(53.70)	-	-	-	-	-	-	(115.99)

Contd.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(₹ in million)

Particulars	Pfaudler (Chang Zhou) Process Equipment Company Limited	Pfaudler S.A. de C.V.	Edlon Inc.	GMM Pfaudler US Inc.	Pfaudler Ltda.	Pfaudler Private Limited	Consolidation adjustments	Total
Current liabilities								
(a) Financial Liabilities								
(i) Lease Liablities	(0.94)	(3.59)	(0.47)	(12.24)	(0.91)	-	-	(136.36)
(ii) Trade payables due to	-	-	-	-	-	-	-	-
Other than Micro & Small Enterprise	(337.59)	(6.46)	(164.31)	(259.21)	(148.01)	(0.26)	309.80	(1,771.54)
(iii) Others	(8.85)	-	-	(128.52)	-	-	3,132.48	(184.87)
(b) Provisions	(27.10)	(4.76)	(17.93)	(116.34)	(27.92)	(0.09)	-	(751.50)
(c) Current tax liabilities (net)	-	(3.95)	(18.18)	-	(13.37)	-	-	(122.92)
(d) Other current liabilities	(659.19)	(22.63)	(10.01)	(925.88)	(10.50)	-	39.75	(2,490.51)
Net asset acquired	**911.05**	**96.75**	**823.32**	**1,043.85**	**463.67**	**3.42**	**(9,560.14)**	**2,647.24**

The initial accounting for the acquisition of above companies has only been provisionally determined at the end of the reporting period. At the date of finalization of these consolidated financial statements, the necessary market valuations and other calculations had not been finalized and they have therefore only been provisionally determined based on the directors' best estimate of the likely fair values.

47.4 Non-controlling interests

The non-controlling interest (46% ownership interest in above mentioned entities) recognized at the acquisition date was measured at proportionate share and amounted to ₹ 1,217.73 million.

47.5 Goodwill arising on acquisition

(₹ in million)

Particulars	Amount
Consideration transferred	2,015.58
Plus: non-controlling interests (46%)	1,217.73
Less: fair value of identifiable net assets acquired	(2,647.24)
Less: Forex difference	(7.19)
Goodwill arising on acquisition	578.88

Goodwill arose in acquisition of above entities because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit expected synergies, revenue growth, future market development and the assembled workforce of above entities. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Goodwill arising on these acquisition is not deductible for tax purposes.

47.6 Net cash outflow on acquisition of subsidiaries

(₹ in million)

Particulars	As At March 31, 2021
Consideration paid in cash	2,015.58
Less: cash and cash equivalent balances acquired	(1,777.88)
Net cash outflow	237.70

47.7 Impact of acquisitions on the results of the Group

"If these business combinations had been effected at April 1, 2020, the revenue of the Group from continuing operations would have been ₹ 21,245.66 million and the profit for the year from continuing operations would have been ₹ 425.50 million.

The directors consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualized basis and to provide a reference point for comparison in future periods.

Note: 48 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the Impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note: 49 The group executed merger of wholly owned subsidiary 'GMM Mavag AG' with it's step down wholly owned subsidiary 'Mavag AG' on February 4,2021. Further the merged entity was renamed as 'Mavag AG' on February 06,2021. Since the transaction meets the definition of "Common Control Transaction" it was accounted in accordance with Appendix C to Ind AS 103 "Business combinations". In accordance with the requirements of the Standard, the group has restated the financial statements of previous year as if the business combination had occurred from April 01,2019, difference between the amount previously recorded as investment in GMM Mavag AG and the share capital including Security premium of Mavag AG has been transferred to capital reserve.

Note: 50 **Impact of COVID-19 (Global Pandemic):**

COVID–19 began impacting our business operations from March 14, 2020 by affecting our supply chain and our ability to ship ready equipment to our customers. Our production eventually shut down completely on March 23, 2020. We started the year FY21 with a strong order book which is significantly higher as compared to the previous year. Our production facilities have resumed operation and supply chain gradually returning to normal. Even though we lost 20 days of production in April 2020, which in turn affected our Q1 FY2021 revenues and profitability, the Company continued to accelerate its growth amid challenging and dynamic economic conditions in both domestic and global environments in the past year.

Since March 2021, India is witnessing a devastating 2nd wave of COVID-19 cases. This year even though there has been no national lockdown, we have faced disruptions at our manufacturing facilities in Karamsad and Nacharam due to regional lockdowns, unavailability of oxygen, manpower shortages, supply chain issues and other covid related issues. However, we are trying to minimise the impact through certain measures that we have taken and are prepared to make up the shortfall once the situation improves.

Note: 51 **Proposed Dividend:**

The Board of Directors in their meeting held on May 28, 2021, proposed a final equity dividend of ₹ 2 per equity share of ₹ 2.00 each fully paid up for the FY21. The aggregate amount of final equity dividend proposed to be distributed is ₹ 29.23 million.

Note: 52 The financial statements for the year ended March 31, 2021 were approved for issue by the Board of Directors on May 28, 2021.

As per our report of even date annexed

For **Deloitte Haskins & Sells**
Chartered Accountants

Karthikeya Raval
Partner
M.No : 106189

Place : Ahmedabad
Date : May 28, 2021

For and on behalf of the board

Dr. S. Sivaram
Chairman
DIN: 00009900
Pune, May 28, 2021

Tarak Patel
Managing Director
DIN: 00166183
Mumbai, May 28, 2021

Manish Poddar
Chief Financial Officer
FCA098238
Mumbai, May 28, 2021

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 28, 2021

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GMM Pfaudler
Defining the standard

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