SCALING NEW HEIGHTS

ANNUAL REPORT

2019 - 2020

GMMPfaudler

Defining the standard

Corporate Information

CHAIRMAN

Dr. S. Sivaram

MANAGING DIRECTOR

Tarak Patel

DIRECTORS

Ashok Patel
Thomas Kehl
Nakul Toshniwal
Bhawana Mishra (appointed w.e.f. 01/04/2020)
Vivek Bhatia (appointed w.e.f. 01/04/2020)
Harsh Gupta (appointed w.e.f. 01/04/2020)
Alexander Pömpner (appointed w.e.f. 02/07/2020)
Dr. Amrita Patel (retired w.e.f. 31/03/2020)
Khurshed Thanawalla (retired w.e.f. 31/03/2020)
Dr. Dominic Deller (resigned w.e.f. 30/06/2020)

KEY MANAGERIAL PERSONNEL

Ashok Pillai - Chief Operating Officer
Jugal Sahu - Chief Financial Officer
Mittal Mehta - Company Secretary

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP,
Chartered Accountants

INTERNAL AUDITORS

Kalyaniwalla & Mistry,
Chartered Accountants

SOLICITORS

L & L Partners
Trilegal

BANKERS

State Bank of India
Axis Bank Ltd.
Citibank N.A
Yes Bank Ltd.
Hongkong and Shanghai Banking Corporation

REGISTERED OFFICE

Vithal Udyognagar,
Anand - Sojitra Road,
Karamsad - 388 325, Gujarat.
Tel.: +91 2692 661700 / 230416 / 230516
Fax: +91 2692 661888 / 236467
Email: worksko@gmmpfaudler.com

CORPORATE OFFICE

902 Lodha Excelus,
Commercial Tower 1,
New Cuffe Parade,
Sewri - Chembur Road,
Mumbai - 400 037, Maharashtra
Tel.: +91 22 6650 3900
Email: investorservices@gmmpfaudler.com

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai - 400 083, Maharashtra
Tel: +91 22 4918 6270
Fax: +91 22 4918 6060
Email: gmminvestors@linktintime.co.in

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 FY 2019-20.

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

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Investor Information

CIN	:	L29199GJ1962PLC001171
BSE code	:	505255
NSE code	:	GMMPFAUDLR
Bloomberg code	:	GMM IN Equity
Dividend for 2019-20	:	₹ 5.00 per equity share (250%) (Subject to approval of the members at the AGM)
Market Capitalization as	:	Over ₹ 36,700 million on March 31, 2020
AGM date	:	August 27, 2020
Venue	:	Through Video Conference

GROWTH

Revenue and Profits in 2019-20

18%* INCREASE IN **CONSOLIDATED REVENUE**

26%* INCREASE IN **CONSOLIDATED PBT**

23%* INCREASE IN **STANDALONE REVENUE**

34%* INCREASE IN **STANDALONE PBT**

* From last year
PBT - Profit Before Tax

Scaling New Heights

The theme for the ultimate year of Mission 2020 is Scaling New Heights. As we transitioned into the final year of our 'Mission 2020', our ability to anticipate markets trends and quickly ramp up production capacity to meet the increasing demand has helped us to maintain our leadership position in the Indian market.

Strategic initiatives for financial year 2019-20

- *ACQUISITION OF IMSD OF SCIL AT PUNE
- LAUNCH OF MIXION BRAND
- COMMISSION OF A NEW NATURAL GAS FURNACE
- NEW MANUFACTURING BAY
- NEEV – LEARNING CALENDAR FOR EMPLOYEES
- IMPLEMEN-TATION OF OFFICE 365

** IMSD – Industrial Mixing Solutions Division.*
** SCIL – Sudarshan Chemical Industries Limited.*

Managing Director's Message

TARAK PATEL
MANAGING DIRECTOR

We are pleased to announce the acquisition of Glass Lined Equipment manufacturing facility from De Dietrich Process Systems India Pvt. Ltd. located at Hyderabad. This acquisition 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 take advantage of the expected investment in the upcoming Pharma City in Hyderabad and maintain our market leadership position in India.

DEAR SHAREHOLDERS,

On March 31st, 2020 we completed our 5-year Strategic Plan - Mission 2020. When we began this journey 5 years ago, we had set ourselves very ambitious targets for both revenue and profitability growth and we began implementing strategies and initiatives that would bring long term success to our company. At the end of Mission 2020, I am pleased to state that we have achieved far more than what we had set out for ourselves. I believe that improvement is a never-ending process and as we look into the future, we will continue to build on our strengths that have made us successful over the last 5 years.

It gives me immense pleasure to talk about the year gone by. As we transitioned into the final year of Mission 2020, aptly themed 'Scaling New Heights", our ability to anticipate markets trends and quickly ramp up production capacity to meet the increasing demand helped us to maintain our leadership position in the Indian market. We continued to show significant improvements in both revenue and profitability; we reported a consolidated and standalone revenue growth of 18% and 23% respectively and a consolidated and standalone profit before tax growth of 26% and 34% respectively over the previous year. Glass Lined Equipment (GLE) remained the largest part of our business, accounting for nearly 69% of revenues, followed by Proprietary Products (PP) with 21% and then by Heavy Engineering (HE) with 10%.

This year was also noteworthy in terms of major projects launched and completed. We began the year by creating additional capacity in our GLE and HE businesses. In GLE, we ordered two new furnaces that will become operational in October 2020. We also hit a new high when we manufactured 220 equivalent units (EU's) in November 2019. On May 23, 2020 we announced our intention to set up a new GLE manufacturing facility in Hyderabad. However, on June 30, 2020 we announced the acquisition of De Dietrich Process Systems India Pvt. Ltd's Hyderabad facility. This acquisition will give us access to ready-made GLE manufacturing capacity, which will further strengthen our presence in the region. With this acquisition and with the capacity enhancement

we have made in our facility in Gujarat, we are in a strong position to maintain our market leadership position in India for the foreseeable future. We continued to add resources and build capabilities in HE, which has helped us to make inroads into new industry segments such as Oil & Gas, Petrochemical and Fertilizer. Working closely with the Pfaudler global sales network we also managed to enter new geographies, such as the Middle East, Europe and Americas. In PP, we continued to focus on innovative technologies and solutions, rather than on standard products. As Indian companies look to build world class facilities to cater to the international markets, their acceptance and need for cutting edge technology continues to grow. One such example of this has been the success of our state-of-the-art spherical dryer, where our equipment has been able to reduce the batch time by more than 50%, resulting in enormous savings for our customers. Last year, in April 2019, our company acquired the Industrial Mixing Solutions Division (IMSD) of Sudarshan Chemical Industries Ltd., Pune. With this acquisition, the company's mixing systems business division, now branded "Mixion", is the market leader in the Industrial Mixing space. Our subsidiary Mavag AG, performed well in spite of the slowdown in Europe. The outlook for Mavag AG looks bright and with a strong order book on hand, I expect them to do well in the coming year. Our relationship with our parent company - Pfaudler continues to remain strong. Our close and regular interaction has helped both companies increase revenue, margins and market share globally.

Our Corporate Social Responsibility (CSR) initiatives, in the areas of healthcare, education and environment sustainability, have also seen substantial progress. We are thankful for all the hard work that our CSR partners – Charutar Arogya Mandal, J V Patel Industrial Training Institute and ReefWatch Marine Conservation continue to put in, tirelessly working to improve and enrich the lives of the communities that we operate in and also help rehabilitate and restore coral reefs along our coastlines. To learn more about our CSR Initiatives please go to page 18.

As the new decade began, we were ready to embark on our next 5-year Strategic Plan – UDAAN. However, everything changed overnight in early 2020 when the COVID-19 pandemic spread across the world. The coronavirus outbreak is first and foremost a human tragedy, affecting hundreds of thousands of people around the world. It is also having a growing impact on the global economy, which is expected to shrink by up to 3% this year and could contract further if the lockdown restrictions are extended. India's GDP growth is also likely to decline this year due to the impact of the coronavirus pandemic and the consequent countrywide lockdown. COVID-19 has also impacted the normal business operations of our Company by way of interruption in production, supply chain disruption, closure of production facilities etc. during the lock-down period. However, after taking necessary precautions to ensure the health, hygiene, safety and well-being of all our employees as well as having put the necessary SOPs and guidelines in place as per Government directives, we have restarted our manufacturing facilities and our offices across India.

Despite the adverse impact of COVID-19 on the global economy, the key industry segments that we serve - Pharmaceutical (Pharma), Agrochemical Chemical (Agro) and Speciality Chemical (Specialty), seem to remain insulated from the current COVID-19 crisis. We believe that there will be significant investment in these sectors in the coming years as International companies look to de-risk their China strategy and Indian companies look to create local reliable supply chains. In fact, the Indian Government has also announced a Rs. 10,000 crore Pharma package with an aim to boost manufacturing and reduce dependence on imports. Further, from what we are seeing on the ground, there also seems to be an increase in replacement demand as companies look to upgrade their facilities to meet international standards. While Agro and Specialty Chemicals accounted for nearly 50% of our total revenue, Pharma saw a resurgence this year accounting for nearly 40% of our GLE sales.

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.

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

I would like to take this opportunity to thank you for your support and faith in our Company and hope that it will continue as we begin our UDAAN journey…

Best Regards,

Tarak Patel
Managing Director

Board of Directors

DR. S. SIVARAM
Chairman & Independent Director

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 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, a S&T business incubator.

Dr. Sivaram, born 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.

TARAK PATEL
Managing Director

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.

ASHOK PATEL
Director

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.

THOMAS KEHL
Director

Mr. Thomas Kehl is the Chairman on the Board of Pfaudler Inc. Before joining Pfaudler, Mr. Thomas Kehl was the President and CEO of Coperion Group. Prior to this position he was responsible for Coperion's Compounding Machines and Service business. His extensive experience in the industry includes two years as CEO of Freudenberg Nonwovens and several executive positions within the Hoechst Group and their subsidiaries. His international experience includes five years in various management positions in the USA.

Mr. Kehl holds a degree in Marketing and General Management from The University for Applied Sciences Mainz.

NAKUL TOSHINWAL
Independent Director

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. Toshnwal is also a Designated Partner in Royal Opera Music LLP and 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
Independent Director

Ms. Bhawana Mishra has been appointed as an Independent Director on the Board effective April 1, 2020.

Ms. 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
Independent Director

Mr. Vivek Bhatia has been appointed as an Independent Director on the Board effective April 1, 2020.

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 Medalist from IIT Delhi) and B.E. (with honours from University of Delhi).

HARSH GUPTA
Director

Mr. Harsh Gupta has been appointed as a Director on the Board effective April 1, 2020 representing the Pfaudler Group.

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.

ALEXANDER PÖMPNER
Director

Mr. Alexander Pömpner, is the Chief Financial Officer of the Pfaudler Group. Mr. Pömpner was previously the Chief Financial Officer for the Vision Ophthalmology Group, an international company in the Ophthalmology industry. Prior to that, Mr. Pömpner spent three years as CFO of the BBI Group, a global manufacturer of raw materials and lateral flow test for the diagnostic and healthcare industry, based in Cardiff, Wales / United Kingdom. He held various Finance / M&A roles in Europe and Asia with the Chemical Distributor Azelis and the industrial packaging manufacturer Mauser. Mr. Pömpner is a Director of the Board of Pfaudler International Sarl, Pfaudler GmbH and Pfaudler UK Ltd.

Mr. Alexander Pömpner holds a Master degree in Business Administration ("Diplom-Kaufmann") and Chartered Financial Analyst (CFA) and is familiar with all tasks of a Chief Financial Officer (CFO) / Managing Director Finance of international groups, and more than 14 years direct reporting to Board / C-Level of Private Equity-portfolio companies.

Company Profile

GMM Pfaudler Limited ("GMM Pfaudler" or "the Company") is a Leading Supplier of Engineered Equipment and Systems for Critical Applications in the Chemical and Pharmaceutical Industries.

GMM Pfaudler Limited was incorporated in the year 1962 as Gujarat Machinery Manufacturers Private Limited and listed on the Bombay Stock Exchange in 1963. In 1987, Pfaudler Inc., USA the world leader in Glass Lined equipment subscribed to 40% equity of the Company to form a joint venture. Pfaudler Inc. further increased their stake to 51% in 1999 and the name of the Company was changed to GMM Pfaudler Limited.

With over five decades of manufacturing experience, GMM Pfaudler is a well-established Company with a strong brand and customer goodwill. The Company is currently the market leader in Glass Lined equipment.

Over the years, the Company has diversified its product portfolio to include Heavy Engineering, Mixing Systems, Engineered Systems and Filtration & Drying Equipment to grow revenue and reduce the cyclicality of the business.

The Company has a state-of-the-art manufacturing facility spread over 20 acres in Karamsad, Gujarat.

In April 2019, our company acquired the Industrial Mixing Solutions Division of Sudarshan Chemical Industries Ltd., Pune. With this acquisition, the company's mixing systems business division, now branded "Mixion", is the market leader in the Industrial Mixing space.

In June 2020, our Company announced the acquisition of De Dietrich Process Systems India Pvt. Ltd's Hyderabad facility. This acquisition will give us access to ready-made Glass Lined Equipment manufacturing capacity, which will further strengthen our presence in the region.

GMM Pfaudler currently employs 536 people and has regional sales and service offices in Ahmedabad, Ankleshwar, Chennai, Hyderabad, Mumbai, Pune, Roha, Vadodara and Visakhapatnam.

Much More
Than Glass Lined

GMM Pfaudler is a global leader in providing corrosion-resistant technologies systems and services for the chemical and pharmaceutical industries.

GLASS LINED

Leading global supplier of Glass-Lined Equipment including Reactors, Cryo-Lock Agitators, Conical Blenders, Vessels & Columns and Pipes & Fittings

MIXION

Wide range of Agitators and Mixers for Solid-Liquid-Gas mixing

FILTRATION & DRYING

ANFD, Funda Filters, Spherical Dryer, Vacuum Paddle Dryers

ENGINEERED SYSTEMS

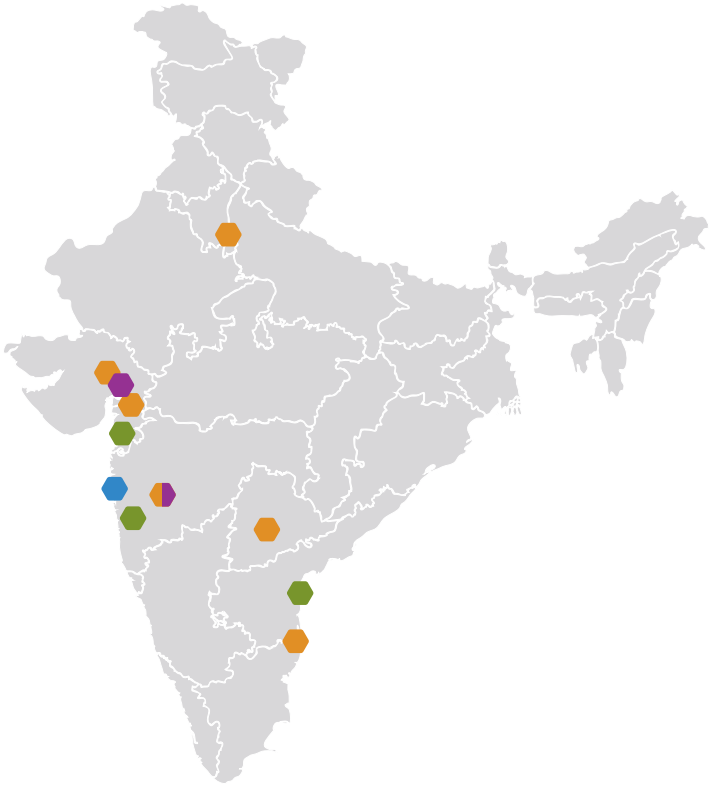
Systems for Evaporation, Reaction & Column, Filtration & Drying, Heating & Cooling, Acid Recovery, Pilot Plants and Kilo Labs

HEAVY ENGINEERING

Agitated Reactors, Heat Exchangers, Pressure Vessels and Columns

FILTRATION
EXTRACTION
ACID RECOVERY
EVAPORATION
REACTION
DRYING
ABSORPTION
DISTILLATION

Our Facility



MANUFACTURING CAPABILITIES

- State-of-the-art plant spread over 20 acres at Karamsad, Gujarat
- Covered area of over 41,000 sq. mts.

1. Manufacturing Facilities

- Karamsad
- Pune

2. Corporate Office

- Mumbai

3. Sales Office

- Ahmedabad
- Chennai
- Delhi NCR
- Hyderabad
- Pune
- Vadodara

4. Sales & Service Offices

- Ankleshwar
- Roha
- Visakhapatnam

Key Milestones

1963

Established in 1963 as Gujarat Machinery Manufacturers

Listed on the Bombay Stock Exchange (BSE)

1987

Pfaudler Inc. acquires 40% stake in the Company for a Joint Venture

1999

Pfaudler increased its equity stake to 51% and the Company is renamed as GMM Pfaudler Ltd

2008

Acquired MAVAG AG, Switzerland, in January 2008

2012

Became a part of National Oilwell Varco group post acquisition of Pfaudler's parent, Robbins & Myers Inc.

2014

Became a part of Deutsche Beteiligungs AG, a private Equity company based out of Germany post acquisition of Pfaudler's stake from National Oilwell Varco

2018

Crossed Consolidated revenue of ₹ 4,000 Million

Crossed market capitalization of ₹ 10,000 Million

Listed on National Stock Exchange (NSE)

2019

Crossed Consolidated revenue of ₹ 5,000 Million

Acquired Industrial Mixing Solutions Division of Sudarshan Chemical Industries Ltd., Pune in April 2019

2020

Ranked at 305 on BSE and 300 on NSE as per market capitalization as on March 31, 2020

Acquired manufacturing facility from De Dietrich Process Systems India Pvt. Ltd at Hyderabad in July 2020

What is UDAAN?

GMM Pfaudler's Strategic Plan-UDAAN outlines the direction that the Company will take to grow profitably and create value for our stakeholders over the next five years.

U
UNITE
towards a common goal

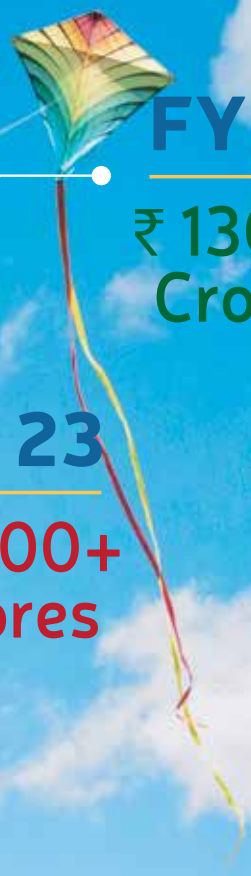
D
DEVELOP
into a Sustainable Company

Λ
ADOPT
best practices to become World Class

Λ
ATTRACT
and Retain Talent

N
NAVIGATE
through Challenging Situations

Yeh hai GMM Pfaudler ki UDAAN



FY 25
₹ 1300+ Crores

FY 23
₹ 1000+ Crores

FY 20
₹ 600+ Crores

Targets as circulated to the employees of the Company and filed with the Stock Exchanges during UDAAN launch in January 2020.

UDAAN

GMM Pfaudler
Defining the standard

An Organisation with Deep Values and Commitment

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 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.

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

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

Performance - Based Culture
To consistently recognise and reward good performance.

Integrity
To be ethical and fair in all our dealings.

Ownership Structure

Pfaudler International s.a.r.l (Luxembourg)
Owned by Deutsche Beteiligungs AG, and its Fund VI, a PE, listed on German Stock Exchange

Pfaudler Inc. (United States) 50.44%
Established provider of glass lined reactors to pharmaceutical, chemical and other process industries

Patel Family 24.56%

Public 25%

GMM Pfaudler Limited
One of the leading suppliers of process equipment and systems for pharmaceutical, specially chemical and agro chemical verticals

Mavag AG
Strong presence in the supply of highly engineered equipment for the pharmaceutical, bioengineering and fine chemical industries

About Pfaudler Inc.

Established in 1884, Pfaudler Inc. is a world-leading process solutions company, providing technologies, solutions, services and innovations to meet the specific requirements of its customers in the chemical, pharmaceutical and other process industries.

With manufacturing facilities located around the globe, it designs, manufactures, installs and services corrosion resistant equipment and complete chemical process systems to the precise requirements of its customers. Pfaudler's technologies, solutions, innovations and services are trusted by over 90% of the world's top ICIS chemical companies.

Pfaudler's Group Companies

EDLON
FLUOROPOLYMERS

INTERSEAL
SEALING TECHNOLOGY

MAVAG
FILTRATION & DRYING

MONTZ
ENGINEERED COLUMN SYSTEMS

NORMAG
LAB & PROCESS GLASS

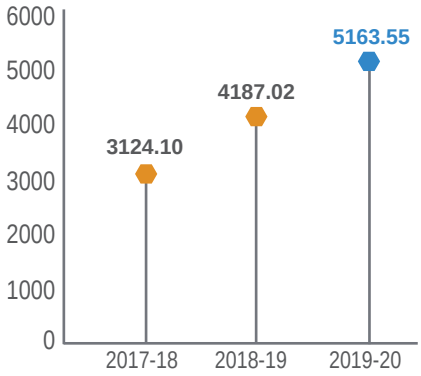
PFAUDLER
GLASS-LINED & ALLOY SYSTEMS

About Mavag AG

Mavag AG is a wholly owned subsidiary of the Company, 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.

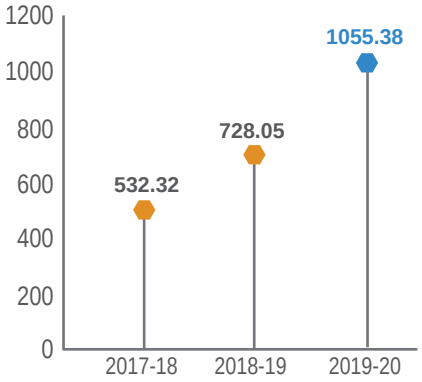
Standalone Financial Performance

Revenue (₹ Mn)



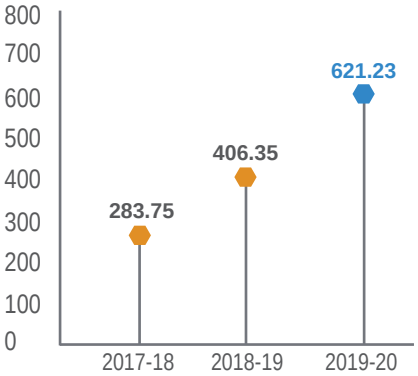
↑ 23%

EBIDTA (₹ Mn)



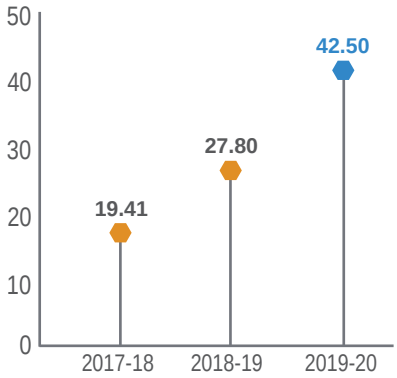
↑ 45%

PAT (₹ Mn)



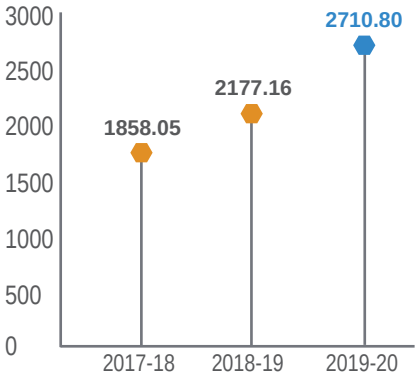
↑ 53%

EPS (₹)



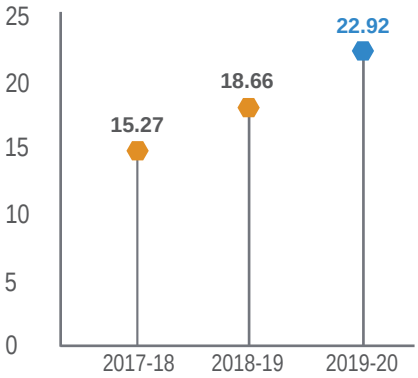
↑ 53%

Net Worth (₹ Mn)

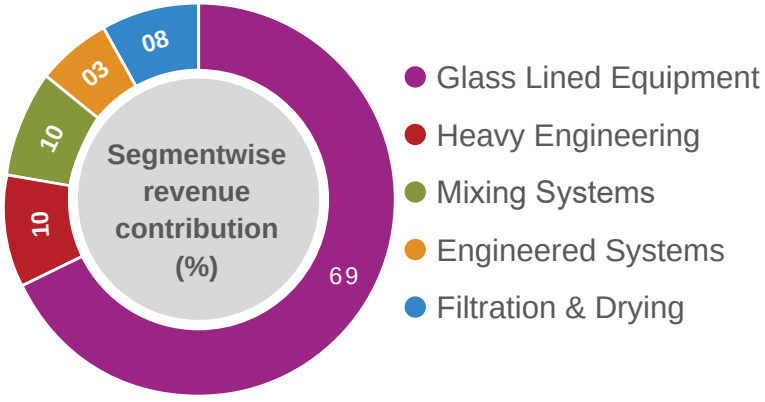


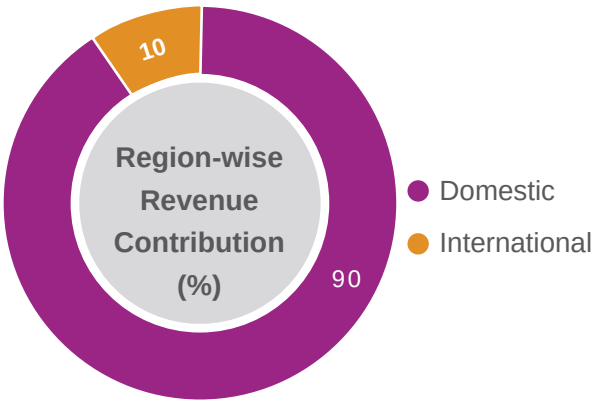
↑ 25%

ROE (%)



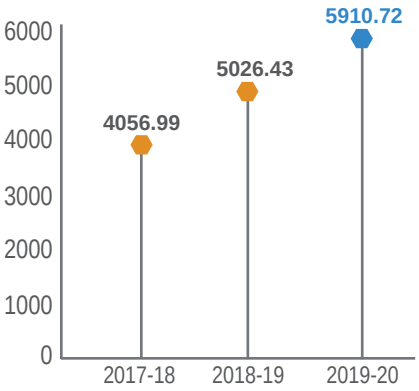
↑ 23%





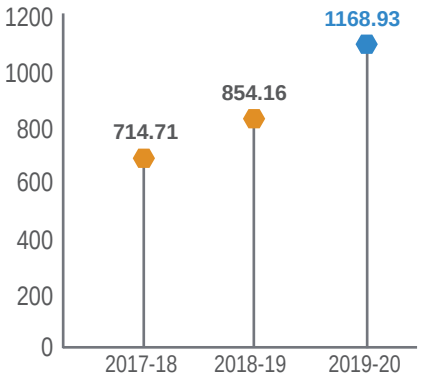
Consolidated Financial Performance

Revenue (₹ Mn)



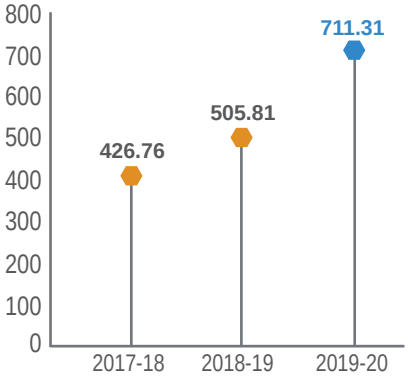
↑ 18%

EBIDTA (₹ Mn)



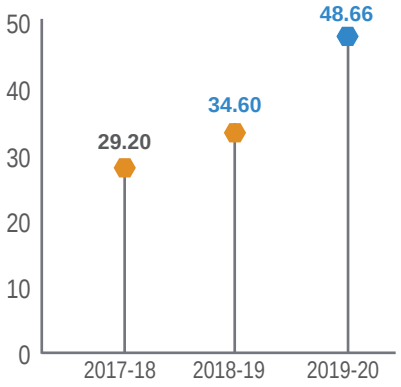
↑ 37%

PAT (₹ Mn)



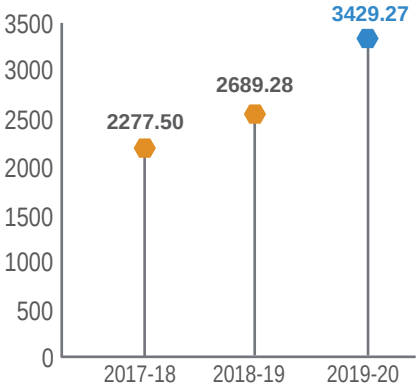
↑ 41%

EPS (₹)



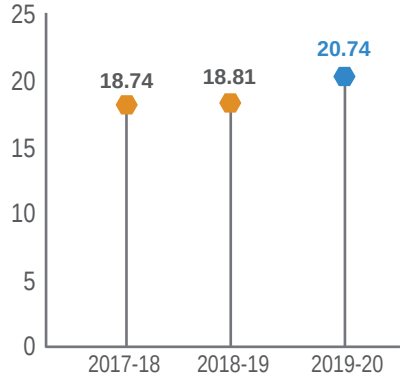
↑ 41%

Net Worth (₹ Mn)



↑ 28%

ROE (%)



↑ 10%

*EBIDTA : Earnings before Interest, Depreciation, Tax and Amortisation

*PAT : Profit After Tax

*EPS : Earnings Per Share

*ROE : Return on Equity

Ten Years' Financial Highlights (Standalone)

(₹ in million)

Description	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
OPERATING RESULTS										
Revenue from Operations (Net of excise duty)	5,163.55	4,187.02	3,124.10	2663.07	2,296.01	2,240.09	2,005.11	1,675.01	2,018.13	1,440.21
Other Income	61.17	72.35	70.39	52.23	32.42	33.50	29.27	52.30	28.80	26.16
Earning before Interest, Tax, Depreciation & Amortisation	1,055.38	728.05	532.32	460.30	352.32	347.08	298.03	195.33	190.91	205.84
Depreciation	200.14	103.65	83.06	73.83	67.38	80.86	70.81	55.93	49.10	34.74
Interest	34.88	11.68	10.31	8.98	6.87	5.18	10.55	7.28	11.65	8.81
Profit before Tax	820.36	612.73	438.95	377.49	278.07	261.04	216.67	132.12	130.16	162.29
Profit after Tax	621.23	406.35	283.75	260.72	183.58	172.03	142.86	96.66	91.41	110.18
Dividends	73.09	71.86	58.47	58.47	43.86	43.86	43.85	40.93	40.93	40.93
Dividend per share (₹)	5.00	4.50	4.00	4.00	3.00	3.00	3.00	2.80	2.80	2.80
Earning per share (₹)	42.50	27.80	19.41	17.84	12.56	11.77	9.77	6.61	6.25	7.54
Book value per share (₹)	185.45	148.94	127.13	112.76	98.36	87.73	79.85	73.60	70.14	67.19
FINANCIAL SUMMARY										
Assets Employed										
Fixed Assets (net)	1,288.85	677.07	632.99	499.66	438.11	376.18	383.00	421.79	409.68	346.09
Investments	575.23	690.59	725.67	679.60	396.81	337.19	336.46	330.24	295.87	283.24
Net Working Capital	958.98	809.5	499.39	468.77	602.81	567.07	448.03	323.99	319.71	396.12
Total	**2,823.06**	**2,177.16**	**1,858.05**	**1,648.03**	**1,437.73**	**1,282.44**	**1,167.49**	**1,076.02**	**1,025.26**	**1,025.45**
Financed By										
Share Capital	29.23	29.23	29.23	29.23	29.23	29.23	29.23	29.23	29.23	29.23
Reserves & Surplus	2,681.57	2,147.93	1,828.82	1,618.80	1,408.50	1,253.21	1,138.26	1,046.79	996.03	952.51
Loan Funds	112.26	-	-	-	-	-	-	-	-	43.71
Total	**2,823.06**	**2,177.16**	**1,858.05**	**1,643.03**	**1,437.73**	**1,282.44**	**1,167.49**	**1,076.02**	**1,025.26**	**1,025.45**

CSR Highlights 2019-20

GMM Pfaudler 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 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 Company will continue to focus on issues relating to healthcare, education & skill development and environment sustainability.

HEALTHCARE

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, 17,613 patients were reached through 882 camps. In the project villages covered by GMM Pfaudler, 554 camps were conducted and 14,081 patients were reached and received consultation.

Village Health Workers conducting training and medical check-up camps

A total of 77,112 rural people were educated about various issues related to chronic diseases such as Hypertension and Diabetes through 3,304 sessions undertaken by the Village Health Workers (VHWs) across 150 villages. In the project villages covered by GMM Pfaudler, 48,320 persons were educated about chronic diseases through 2,502 sessions undertaken.

A total of 9,475 patients were screened for Hypertension, 11,203 were screened for Diabetes and 3,871 had undergone oral screening in the village based camps. At the end of the year, there were 1,827 patients with chronic

diseases such as Hypertension and Diabetes enrolled with the programme for receiving health care delivered at their door step through the VHWs, saving the patients cost of travel and consultation at higher centers. In the project villages funded by GMM Pfaudler, the number of patients enrolled with the programme was 1,422 compared to 955 in the previous year.

The average monthly cost of treatment for patients with Hypertension, Diabetes and those having both Hypertension and Diabetes was ₹ 38, ₹ 83 and ₹ 126 respectively. The increase in the number of members enrolled in the programme and the reduction in the cost of treatment indicate that, with passage of time, the project is now creating a significant impact.

Summary of new initiatives taken under SPARSH during the financial year 2019-20:

1. The SPARSH Android application (V 2.0) was upgraded and made live. Now the data is being captured online. In this new version, the MIS has been integrated along with material management module.

2. A down referral system was created for patients who required follow up visits for confirmation of their diagnosis, after initial testing in the camps. The Village Health Workers (VHW) are assigned the role to do a home visit for the patient after the camp. It helps in reducing the requirement for the patient to come to a hospital for follow up tests and assessments.

3. Palliative care visits have been made regular. A Mobile Palliative Team comprising of an Assistant Medical Officer, a trained paramedical assistant and a coordinator has been constituted and visits are organized for patients who are terminally ill, or bed ridden or have debilitating illness. A total of 241 patients were provided palliative care by this team.

Charutar Arogya Mandal (CAM) is a charitable trust set up by the late Dr. H. M Patel, and 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 (850 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

EDUCATION & SKILL DEVELOPMENT

Providing technical training to the local youth with J V Patel Industrial Training Institute

GMM Pfaudler has partnered with J V 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 has been approved as a "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 regularly organises on-campus and off-campus interviews with many prominent companies from local areas to facilitate recruitment of students.

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

ENVIRONMENTAL SUSTAINABILITY

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

GMM Pfaudler has partnered with ReefWatch Marine Conservation to restore and rebuild marine coral reefs in the Andaman Islands through the Re(ef) Generate project.

The Re(ef)Generate project aims to pilot the restoration and rehabilitation of corals in the Andaman Islands and actively create conditions for corals to thrive through two tangents namely Re(ef)Build and Re(ef)Grow to achieve the goals of restoring a coral reef. Re(ef)Build is the part that concentrates on physically restoring artificial reefs which helps in maintaining species diversity on our artificial reef. Re(ef)Grow is the part of the project that will help maintain genetic diversity on our artificial reef.

GMM Pfaudler has contributed to the conservation program that restores coral reefs in India by:

- **Re(ef)Build –** Setting up artificial reefs with mineral accretion technology. This involves rescuing broken coral fragments around a coral reef and attaching them on to metal frames designed to replicate reef structure placed in the water. The mineral accretion device is set up by giving the structure a low electric current through floating solar panels allowing corals to grow faster by the process of electrolysis.
- **Re(ef)Grow –** Growing genetically stronger and more resilient corals in a lab set up to transplant onto the artificial reefs. This involves collecting small amounts of coral spawn (gametes) from healthy, resilient coral colonies, fertilizing them and growing them in labs to then transplant back into the ocean.

Training of local youth, restoration of corals in the Andaman Islands

Progress of Re(ef)Build

5 populated metal structures were connected to mineral accretion devices. The team has re-attached new fragments and since March 2020 has started a new baseline for the monitoring of coral growth and ecosystem function of the artificial reefs.

Progress of Re(ef)Grow

A fully set up coral wet lab is used to micro-fragment corals to have them grow faster and reach sexual maturity to spawn. This method so far has only ever been tested on coral species found in the Caribbean.

As an added goal of this project, the team has worked on creating a training module to help build a capacity amongst local youth of the islands in coral conservation and restoration. During the year ReefWatch has fully trained 3 youths in methods of marine conservation and reef restoration and rehabilitation.

Karnataka coastal conservation project

GMM Pfaudler has partnered with ReefWatch Marine Conservation for Karnataka coastal conservation project

Karnataka has a coastline of about 320 kilometres and 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 several endangered and vulnerable species such as Sea Turtles, Dolphins and Whales.

ReefWatch saw a need for the reporting cases of stranded cases of Megafauna on the Karnataka coast as well as building awareness towards marine conservation along the coast of India. Strandings are events where marine animals are found either dead or alive on shore and are unable to return to the water, and usually require assistance both medical and physical to be moved back. The Karnataka Marine Conservation Project was thus established to work towards awareness and conservation of Marine Habitats across the coast of Karnataka.

The Marine Stranding network reported 41 cases of Marine Megafauna Strandings including Olive Ridley and Green Sea Turtles, Spinner Dolphins, Humpback Dolphins and two species of Baleen Whale, a Juvenile Blue Whale and a Bryde's Whale. All strandings were reported to the local Forest Department Office for documentation and samples of Olive Ridley Sea Turtle Humpback Dolphin were collected for analysis by researchers at IISc Bangalore.

Kundapur Beach clean-up & Live Sea Turtle that was treated and released at Karantaka coast.

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, segregate and dispose it off correctly.

During the year, a Nirvana Beach Festival was designed to promote reduced utilization of plastic. Art displays utilizing accumulated beach debris, Street Plays, Dances and Talks were organized to raise awareness in the local population of Kundapur. Following the event, the district Municipal Office decided to fix the Fisheries Road to the area utilizing some of the accumulated waste collected during the beach clean ups.

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 is visited by locals, students from nearby schools and colleges, tourists from across India and many visitors from abroad as well. The number of visitors during the previous year was 32,355 which also included some eminent personalities.

The Memorial, in collaboration with local schools & 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.

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 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

Maintenance work undertaken at The Memorial

Management Discussion and Analysis

A) ECONOMY

1. Global Economy:

Global economic growth slowed down to 2.9% in 2019 as trade tensions and Brexit delays led to a decline in worldwide manufacturing activity and trade. Amid rising concerns over global growth, central banks across the globe cut interest rates to shore up their economies. Despite increased monetary policy accommodation and reduction in the trade war, global economic growth is expected to remain subdued and decline below 2.0% in 2020 owing to the spread of coronavirus disease (COVID-19) which has disrupted economic activity. Responding to the economic and financial fallout from the COVID-19, Federal Reserve cut the benchmark U.S. interest rate by half a percentage point while the US senate passed fiscal package worth two trillion dollars. Despite all these measures, the state of the global economy continues to be fragile and uncertain.

The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. In a baseline scenario which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8% in 2021 as economic activity normalizes, helped by policy support.

2. Indian Economy:

The Indian economy remained in the grip of a slowdown in 2019-20 with growth plunging below 5.0% owing to decline in manufacturing activity and a slump in investment and household consumption on the back of liquidity crisis in the non-banking financial (NBFC) sector. The policymakers loosened monetary policy and provided a stimulus to the ailing NBFC sector to prevent further deepening of the crisis in the financial sector. Moreover, the government-induced capital and announced the mega-merger of PSU banks to strengthen their credit capacity and stimulate credit offtake. Corporate tax rate was reduced to spur investment and boost economic growth. The Indian economy is expected to slow considerably with growth falling substantially below 5.0% in 2019-20 despite low oil prices and softening interest rate due to the Covid-19 pandemic which has brought the economy to a near standstill and stifled growth prospects.

Despite the government making a slew of policy announcements to improve credit growth, increase capital inflows and encourage private investments, the spread of coronavirus has slightly dampened the hope of economic upturn. Responding to the crisis, the RBI reduced the policy rates to inject liquidity in the system while the Government announced a relief package for the poor who have been hit the hardest by the COVID-19 lockdown. In the current scenario, there is an increasing need for policies to stimulate demand and revive growth in the manufacturing and construction sector and shield the domestic economy from the pandemic.

B) INDUSTRY DEVELOPMENTS

GMM Pfaudler caters to the following industries - Pharmaceuticals, Specialty Chemicals and Agrochemicals. Most of the players in these industries have been witnessing favourable demand for their products and continue to be in capacity addition mode.

1. Pharmaceuticals:

The Indian pharmaceutical industry is valued over $ 40 billion and is the world's third-largest producer of drugs by volume. The industry has made innovations in processes and formulations and established itself as a reliable, high quality and cost-effective global drug supplier. The industry has played a key role in driving better health outcomes across the world through its affordable and high-quality generic drugs. The Indian pharmaceutical industry has attracted more than $2 billion in FDI inflows over the last three years. Demand outlook for the industry looks positive on the back of increasing spending on healthcare, improving accessibility, and growing exports. Indian government's thrust on universal healthcare through Ayushman Bharat and an increasing number of middle-class seeking quality and affordable healthcare, along with the ability of private players to attract global patients bodes well for the industry.

Besides, rising per capita incomes and export opportunity, patent expiry or loss of brand exclusivity has made India a hub of affordable generic medicines globally. India is the only country in the world that has the highest number of USFDA-approved plants for generic drug manufacturing outside the US. In response to this growing regulatory environment, pharmaceutical companies in India continue to strengthen their processes, while improving automation, operating procedures and quality management systems.

Indian pharmaceutical sector is expected to grow at a double-digit CAGR on the back of regulatory support from the government like an increase in budgetary allocations for healthcare and strengthening of the innovation ecosystem. The focus on growing regulatory requirements, improved healthcare infrastructure, and a surge in research and development spend bodes well for the pharma industry. Indian companies will continue to expand globally, enriching their manufacturing capabilities to meet the growing demand in the world.

Management Discussion and Analysis (Contd.)

2. Specialty Chemicals:

The domestic specialty chemical sector is well poised to benefit from strong demand growth in consumer industries, availability of raw material at competitive prices, outsourcing opportunity and export opportunities due to the clampdown on chemicals manufacturing in China. Indian companies have significantly strengthened their positions in the global supply chain and have become a viable alternative for global players looking to diversify the supply risk, thereby improving export opportunities for Indian players.

Increased urbanization, rising income levels and high replacement demand would boost consumption of higher-value chemicals as consumers upgrade and demand more environmentally friendly products. Moreover, since the current penetration of specialty chemicals is low compared to countries like the US and China, the growth outlook looks promising.

The government has taken various reforms and initiatives like Make in India, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Smart City Mission and Swachh Bharat Abhiyan in order to improve both physical and social infrastructure of the country. All these are likely to boost demand for performance-enhancing chemicals. Moreover, the government is planning to boost domestic production of chemicals and petrochemicals to cut down imports and make India a manufacturing hub for the sector.

In the current scenario, global players are looking to diversify supply risk, thereby improving export opportunities for Indian players. In order to capitalize on the vast export opportunity, the domestic players continue to invest substantially in R&D and manufacturing capability to improve their product mix. As a result, the share of Indian specialty chemicals in global supply chain has been rising gradually. The major players are likely to set their capital expenditure plans in motion once the economic scenario improves.

3. Agrochemical:

India is the fourth-largest producer of agrochemicals globally after the US, China and Japan. India's agrochemical industry has been witnessing structural changes, driven by rising domestic demand, favourable regulatory changes, tighter supply from China and a substantial opportunity to explore products going off-patent. Rapid urbanization and industrialization have led to shrinking farmlands while demand led by improving purchasing power continues to rise. As the country is facing twin challenges of shrinking arable land and water scarcity, increasing yield through the use of agrochemicals is the prudent solution going forward.

Low manufacturing costs and technical competence in chemistry have been the prime reasons in making India one of the largest agrochemical exporters globally. Moreover, supply disruption in the Chinese agrochemical market has provided an opportunity for Indian agrochemical players to capitalize on the situation and gain a greater share in the global market. Indian players with backward integrated facilities are set to gain from the changing dynamics. Additionally, the recent announcement on corporate tax cuts makes India an ideal destination for global innovators to set up new manufacturing facilities in the country.

The focus on doubling farmer income by 2022 will result in higher MSPs for crops, significant public spending for improving rural infrastructure (particularly irrigation projects), greater crop insurance coverage, and increase in agricultural credit. Efforts to boost crop yields and farmers' awareness regarding crop protection benefits will drive domestic demand. Under the Make in India program, the major thrust has been given to R&D and production of high-quality agrochemicals by changing some important rules related to registrations of molecules. These changes have been introduced to reduce India's dependence on imports.

4. Other Industry Segments:

Although pharmaceutical and chemical remain our largest industry segments, we are seeing significant traction in Oil & Gas, Petrochemical and Metals & Minerals. We continue to build our capabilities to cater to these industry segments especially through our Heavy Engineering and Mixing Systems businesses. These sectors will see significant investment with an uptick in the economy and we remain well prepared to capitalize on the upcoming opportunities.

C) OUTLOOK

The COVID-19 pandemic has led to disruption in economic activity thereby impacting our end-user industries to some extent. However, manufacturing activity is expected to gradually pick up as the impact of the pandemic recedes. As such, we remain positive on the medium-term growth prospects.

D) COMPANY OVERVIEW

Established in the year 1962, GMM Pfaudler is a leading supplier of engineered equipment and systems to the global pharmaceutical and chemical markets. GMM Pfaudler has a state-of-the-art factory with a covered area of over 48,700 square meters.

GMM Pfaudler is a leading supplier of process equipment to the pharmaceutical and chemical industries. It is the market leader and has more than five decades of experience in manufacturing Glass-lined Equipment. Over the years, GMM Pfaudler has diversified its product portfolio to include Mixing Systems, Filtration & Drying Equipment, Engineered Systems and Heavy Engineering Equipment and

is today a one-stop-shop for the chemical process industry.

Mavag AG is GMM Pfaudler's wholly-owned subsidiary based out of Switzerland. It was acquired in 2008 and is a supplier of Filtration & Drying Equipment to the Pharma, Biotech and Fine Chemical industries.

E) FINANCIAL PERFORMANCE

GMM Pfaudler continued to accelerate its growth amid challenging and dynamic economic conditions in both domestic and global environments in the past year. Due to COVID-19 pandemic, our factories were shut during last 10 days of March in accordance with the Government directives and accordingly, our Revenue in the fourth quarter of the financial year was marginaly impacted.

GMM Pfaudler remains committed to meeting expectations and enhancing shareholder's value, which is reflected in the increase in its market capitalization of over 11 times in the last 5 years and improvement in its ranking in both BSE and NSE at 305th and 300th position respectively.

In the financial year 2019-20, GMM Pfaudler recorded standalone revenues of ₹ 5,163.55 million, up by 23% from the previous year's 4,187.02 million, and consolidated revenues of ₹ 5,910.72 million, up by 18% from the previous year's ₹ 5,026.43 million.

Standalone Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) increased by 45% to ₹ 1055.38 million as compared to ₹ 728.05 million in FY 2019 and consolidated EBITDA increased by 37% to ₹ 1168.96 million as compared to ₹ 854.16 million.

Profit Before Tax (PBT) increased by 34% to ₹ 820.36 million as compared to ₹ 612.73 million in FY 2019 on a standalone basis and increased by 26% to ₹ 922.88 million as compared to ₹ 732.70 million in FY 2019 on a consolidated basis.

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. All in all, additional revenue that could have been recognized in the fourth quarter in a normal business environment is estimated to be ₹ 300 million. As a result, our profit for the fourth quarter of FY2020 is lower, notwithstanding this, the company ended the quarter with standalone EBITDA of 18% after absorbing the idle overheads. Further, the company has discharged its disbursement obligations in full on payroll including contractual & casual workmen and paid to its creditors through collections from customers was a bit slow during the period.

We started the year FY 21 with a strong order book which is significantly higher as compared to the previous year. Our production facilities have resumed operation and supply chain is gradually returning to normal. Even though we lost 20 days of production in April 2020, which in turn will affect our Q1 FY2021 revenues and profitability, we are confident that we can recoup the shortfall in coming quarters.

F) 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.	Particular	Consolidated		
		FY 19-20	FY 18-19	% Change
1	Debtors Turnover (Days)	43.70	42.75	2.23%
2	Inventory Turnover (Days)	74.50	76.64	-2.80%
3	Interest Coverage Ratio	33.49	72.88	-54.04%
4	Current Ratio	2.37	2.38	-0.56%
5	Debt Equity Ratio	0.03	-	
6	Operating Profit Margin%	16.20%	14.81%	9.41%
7	Net Profit Margin %	12.03%	10.06%	19.59%
8	Return on average net worth %	23.25%	20.37%	14.16%
9	EPS (₹)	48.66	34.60	40.64%

Notes:

a. Interest Coverage Ratio in FY20 is lower by 54.04% largely due to accounting for notional interest on lease liability to the tune of ₹ 20.74 million in FY20 due to applicability of IND-AS 116 with effect from April 01, 2019

b. Earning per share increased by 40.64% in FY20 due to increase in profit after tax

c. Definition of Ratios:
   1. Debtors Turnover : average trade receivable by revenue from operations for the year
   2. Inventory Turnover : average inventory by revenue from operations for the year
   3. Interest Coverage Ratio : total EBIDTA 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 : EBIT by operating revenue for the year
   7. Net Profit Margin : profit before tax for the year by revenue from operation for the year
   8. Return on Average Net Worth : profit after tax for the year by average net worth for the year
   9. EPS : profit for the year by number of equity shares

Management Discussion and Analysis (Contd.)

G) BUSINESS SEGMENTS AND OPERATIONAL HIGHLIGHTS

The Company has five business verticals:

1. Glass Lined Equipment (GLE):

GMM Pfaudler is the largest manufacturer of Glass Lined Equipment (GLE) in India, which is primarily used in Pharmaceutical, Speciality Chemicals and Agrochemical Industries. In FY20, 69% of the Company's total revenue came from the GLE business. The Company adopted a new rationalised method of measuring production output: Equivalent Units (EUs), which is based on the amount of effort that goes into making one unit rather than the actual count of the units produced. This year, the Company manufactured 1,970 EUs versus 1,860 EUs in the previous year. The GLE division hit a new high with 220 EUs manufactured in a single month.

GLE Revenue grew by 24% from ₹ 2,850.05 million to ₹ 3,547.41 million in the FY20. This business segment will continue to remain the Company's largest and most important business vertical in the coming years.

2. Heavy Engineering (HE):

The HE business in FY20 accounted for 10% of the Company's revenue. The HE business line has been a focus area for the Company in FY20 and will continue to be so even in the future. Significant steps have been taken to improve the Company's capacity, capabilities and its position in the market. The Company has been able to create a competitive advantage for itself by leveraging its international brand, the Pfaudler international network, strong engineering capabilities, multiple code accreditations and proven track record of manufacturing complex equipment.

During the year, the Company handled equipment with a total weight of about 1100 MT in different materials of construction (Carbon Steel, Stainless Steel and Clad Steel.

In another first, the HE business line manufactured and shipped specialized equipment to Lyondell Basell, USA under ASME code. The Company also exported Stainless Steel Reactors received through the Pfaudler network.

As the Company has ambitious growth plans for this segment, steps have been taken to add even more capacity and capabilities. This involved adding key equipment in the new bay to handle heavier thickness steel in-house. It also qualified its workmen, staff and quality personnel in exotic materials of construction like Titanium. HE team is working to get the necessary qualifications and approvals from large Engineering & Construction companies in Oil and Gas sector to increase its presence in this segment.

3. Mixing Systems (MS):

The MS business, branded as Mixion, accounted for 10% of the Company's FY20 revenue. As a first for the Company, a new brand, Mixion, was launched in FY20 and has been well received by our customers. At the same time, MS also launched its own product developed in-house – the High Efficiency Gas Induction Impeller HEGI. The patent application has been accepted for HEGI design by the Indian Patent office.

The Company's energy-efficient, maintenance-friendly, cost effective agitators have helped Agrochemical, Speciality Chemicals, Pharmaceutical, Inks, Paint, Metal & Minerals companies to improve their efficiencies and use of computational fluid dynamics to enhance productivity are key bench strength for this business. Our technical association with BHR – FMP, UK and Institute of Chemical Technology, Mumbai enhance our subject expertise.

With the acquisition of the Industrial Mixing Solutions Division (IMSD) of Sudarshan Chemical Industries Ltd., Pune in April 2019, the Company now has access to new products, technologies, customers and industry segments. With this acquisition, GMM Pfaudler has entered new markets including minerals & metals, water and wastewater, food & beverage, sugar, paper & pulp, petrochemical & refineries, edible oils and has a deeper penetration in paint manufacturing. Significant cost synergies are expected due to economies of scale, value engineering and leveraging the strength of both the organizations in their markets. The combined industrial mixing solutions entity, under the brand name of Mixion, is set to be India's premier industrial mixing solutions provider.

4. Engineered Systems (ES):

The ES business in FY20 accounted for 3% of the Company's total revenue. The Company has extensive experience in designing and manufacturing of complete Modular Skids, Wiped Film Evaporators (WFE), Temperature Control Units (TCU) and Kilo labs. As the Company moves from being an equipment supplier to a solution provider, it is developing process engineering capabilities to provide complete modular Engineered Systems along with process guarantees to its customers.

Management Discussion and Analysis (Contd.)

The Chemical industry produces thousands of tons of dilute inorganic waste acids containing inorganic and organic impurities. Stricter environmental regulations globally and rising operating cost mandate recovery of acid rather than waste treatment. GMM Pfaudler offers Acid Concentration plants based on the latest state of process technology and a complete range of Engineering services provided by Pfaudler Normag Systems, Germany. The offered plants are optimized with respect to investment costs and operability of the plant.

5. Filtration & Drying (F&D):

The F&D business in FY20 accounted for 8% of the Company's total revenue. The Company continued to strengthen its position in the market by targeting critical applications, such as high potency and sterile applications, where it has a competitive advantage. This business line has seen significant growth over the last few years and the Company will continue to focus on critical applications in both domestic and export markets.

The business also provides low-cost components and assemblies to Mavag AG, our Swiss subsidiary. Mavasphere®, a specialty product designed by Mavag AG has successful trials for drying of difficult products. This has resulted in significant orders from major pharma companies.

H) INNOVATION & TECHNOLOGY

As the Government of India recognized R&D centre, the Company has worked continuously on new product development, improvement in the existing equipment being manufactured either in ease of manufacturing or usage by the customer. One such product was the High-Efficiency Gas Induction Impeller, which was developed by the Company and is being sold in the market. With the planned addition of a Test Centre to carry out pilot trials in the near future, the Company will be poised to make a further impact on the market with more products and system offerings.

I) MAVAG'S PERFORMANCE

Mavag AG currently contributes about 15% and 11% to the consolidated revenue and profit respectively. Mavag has been able to cement its position as a technology leader in Europe and with its low-cost sourcing initiative, it has been able to significantly increase its market share. Mavag is also working with Pfaudler, USA to develop the US market and has already had some success. It will continue to leverage the Pfaudler sales network to further increase its penetration and increase its market share around the world.

J) OPPORTUNITIES & THREATS

As chemical companies set up new facilities and Pharmaceutical companies begin to upgrade their plants and equipment, their need for good quality equipment and the latest technologies will enable GMM Pfaudler to remain their preferred supplier.

Competitive sourcing strategy within the Pfaudler group will also result in increased business for GMM Pfaudler.

The global economic slowdown may have an impact on the Company's exports business. Uncertain monsoons, weak investment and volatile industrial output are ongoing concerns for sales in the domestic market.

K) 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. It is appropriately modified, as and when necessary. Based on the operations of the Company, risks are identified and steps are taken to mitigate them.

i) **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.

ii) **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.

iii) **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.

iv) **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

Management Discussion and Analysis (Contd.)

(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.

L) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal controls of the Company operate through standard operating procedures, policies and process guidelines. The Company has an adequate system of Internal Financial Control commensurate with its size and nature of the business, 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 Company's Financial Statements are prepared based on the Significant Accounting Policies selected by 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.

M) HUMAN RESOURCES & INDUSTRIAL RELATIONS

By keeping a growth mindset at the heart of all decisions, the Human Resource (HR) function is stepping into the future of work strategically, by investing in resources to be future-ready.

Continuous learning is an important area and therefore launch of 'Neev' calendar provided a kick start in the learning journey of our employees. Besides investing in training programs to upskill our employees, we also focused on leadership development through coaching sessions for critical resources. Creating more leaders and having a wider pool of them as we move ahead on our growth journey is an important agenda for us.

In addition to having a direct correlation with employee engagement, rewards and recognition also affect various parameters in an organization. From retention to increasing productivity, attracting new talent to business performance, the right strategy and form of appreciation improve employee experience and in turn, positively impacts the business success. We have designed a Reward & Recognition framework called 'iAppreciate' which will be unveiled in the coming years in a phased manner.

Our key focus on aligning talent and performance outcomes to match the evolving business goals has come a long way. For this, HR is deeply involved to understand the business intricacies and collaborate closely with business leaders to align the individual and departmental goals in line with the Company's goals. From an employee's perspective, feedback on his/her performance plays a vital role in influencing their performance. To enable this, Situation-Behaviour-Impact (SBI) workshops were conducted for the managers to equip them with a structure to provide constructive feedback and ensure that employee behaviours are in sync with the performance outcomes. Over the years, the PMS is moving progressively ahead towards the strategic vision.

In FY21, we will continue our work into curating meaningful work experiences for our employees and build a great place to work.

N) CAUTIONARY NOTE

Certain statements in the "Management Discussion and Analysis" section may be 'forward-looking'. Such 'forward-looking' statements are subject to risks and uncertainties and therefore actual results could be different from what the Directors envisage in terms of future performance and outlook.

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
DIN : 00009900

Place: Pune
Date: May 23, 2020

Tarak Patel
Managing Director
DIN : 00166183

Place: Lonavala

Notice

NOTICE is hereby given that the **FIFTY SEVENTH ANNUAL GENERAL MEETING** of the Company will be held on Thursday, August 27, 2020 at 12.00 noon IST through Video Conferencing/Other Audio Visual Means organized by the Company, to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at Vithal Udyognagar, Anand- Sojitra Road, Karamsad - 388 325, Gujarat.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020 (including Consolidated Financial Statements) together with the reports of the Board of Directors and auditors thereon; and in this regard, if 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, 2020, comprising of Audited Balance Sheet as at March 31, 2020, the Statement of Profit & Loss and Cash Flow Statement for the financial year April 1, 2019 to March 31, 2020 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, adopted and approved."

   (b) "**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, comprising of Audited Consolidated Balance Sheet as at March 31, 2020, the Statement of Consolidated Profit & Loss and Cash Flow Statement for the financial year April 1, 2019 to March 31, 2020 including its Schedules and the Notes attached thereto and forming part thereof and the reports of the Statutory Auditors thereon be and are hereby received, adopted and approved."

2. To confirm the declaration and payment of three interim dividends paid during the financial year ended March 31, 2020 and to declare final dividend for the financial year ended March 31, 2020 and in this regard, if 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 Forty three million eight hundred and fifty two thousand five hundred only), declared and paid for the financial year 2019-20, to the shareholders, whose names have appeared in the Register of Members as on August 22, 2019, November 18, 2019, and January 31, 2020 be and are hereby confirmed."

   (b) "**RESOLVED THAT** a final dividend for the year ended March 31, 2020 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 20, 2020 (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 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. Thomas Kehl (DIN 06935094), who retires by rotation and being eligible, offers himself for re-appointment and in this regard if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

   "**RESOLVED THAT** Mr. Thomas Kehl (DIN 06935094), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby appointed as Director of the Company."

5. To consider appointment of Statutory Auditors 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 Section 139, 142 and other applicable provisions, if any, 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), M/s.

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Deloitte Haskins & Sells, Chartered Accountants Ahmedabad (ICAI Firm Registration No. 117365W), who have been appointed as Statutory Auditors at the 52nd Annual General Meeting to hold office up to the date of ensuing Annual General Meeting, be and are hereby reappointed as the Statutory Auditors of the Company, to hold office from the conclusion of the 57th Annual General Meeting until the conclusion of the 62nd Annual General Meeting of the Company at a remuneration to be decided by the Audit Committee and the Board of Directors in consultation with the Auditors for each of the financial year."

SPECIAL BUSINESS:

6. To ratify the remuneration of Cost Auditors of the Company for the financial year ending March 31, 2021 and in this regard, if 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 ₹ 150,000 (Rupees One lac Fifty 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 2020-21, 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."

7. To consider re-appointment of and 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 Sections196, 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 for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee, the consent of shareholders, be and is hereby accorded to the re-appointment to Mr. Tarak Patel (DIN-00166183) as the Managing Director of the Company for a period of five years, with effect from June 1, 2020 up to May 31, 2025, upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors and Nomination and Remuneration Committee of the Company) to alter and vary the terms and conditions of the said appointment / 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 total remuneration payable to Mr. Tarak Patel, 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 as prescribed under Sections 197 and 198 of the Companies Act, 2013, and also in excess of limit of ₹ 5 crores as prescribed under Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER THAT Mr. Tarak Patel shall not be liable to retire by rotation.

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

RESOLVED FURTHER THAT the any of the Board Members and the Company Secretary be and are hereby authorized, severally, to take all such steps as may be necessary, proper and expedient and to do any acts, deeds, matters and things to give effect to this resolution."

8. To consider Re-classification of the Promoters of the Company and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to Regulation 31A and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 read with the Rules framed

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there under, the approval of the Members be and is hereby accorded for re-classification of (i) Mrs. Panna S. Patel, (ii) Mrs. Pragna S. Patel and (iii) Ms. Palomita S. Patel, forming part of the Promoter Group of the Company from Promoter category to Public category.

RESOLV ED FURTHER THAT that the Promoters seeking re-classification along with their personal promoter group entities and person acting in concert do not and will not:

i) have any special rights through formal or informal agreements.

ii) hold more than 10% of the paid-up capital of the Company.

iii) act as a Key Managerial Person for a period of more than three years from the date of Shareholders approval.

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

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution including filing of necessary forms and returns with the Ministry of Corporate Affairs, Stock Exchanges and other concerned authorities."

9. To consider and appoint Mr. Alexander Pömpner (DIN 0008778448) 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. Alexander Pömpner (DIN 0008778448) who was appointed pursuant to Section 161(4) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 with effect from July 2, 2020, 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."

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, 7 & 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 decided to include the Item nos. 6 to 9 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.

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 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020.

4. 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.

5. Corporate members intending to send their authorised 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. authorising 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.

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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 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depository Participant. Members may note that the Notice and Annual Report 2019-20 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, by using the link: http://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 investorervices@gmmpfaudler.com.

Procedure for joining the 57th AGM through VC / OAVM

9. Link Intime will be providing facility for voting through remote e-Voting, for participation in the 57th AGM through VC/OAVM facility and e-Voting during the 57th 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 57th 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.com. Questions / queries received by the Company till 5.00 p.m. on Monday, August 24, 2020 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

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time being in force), members are provided with the following alternatives by which they may cast their votes:

i. Remote e-voting

The remote e-Voting platform will be provided by the Company's Registrar & Share Transfer Agents – Link Intime India Pvt. Ltd. (LIIPL) and the e-voting period will commence on Monday, August 24, 2020 at 9.00 a.m. and will end on Wednesday, August 26, 2020 at 5.00 p.m. The remote e-Voting module will be disabled by Link Intime for voting thereafter. Instructions and information relating to e-Voting are as follows:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in
2. NOTE: If members are holding shares in demat form and have registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier event of any company then they can use their existing password to login.

   Those who are first time users of LIIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

   Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

A. User ID: Enter your User ID
   - Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
   - Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
   - 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) 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.
   - Members holding shares in CDSL demat account shall provide either 'C' or 'D', above
   - Members holding shares in NSDL demat account shall provide 'D', above
   - Members holding shares in physical form but have not recorded '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).

3. Click on 'Login' under 'SHARE HOLDER' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
5. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
6. E-voting page will appear.
7. 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).
8. 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.
9. 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.

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If you have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case members have a valid registered email address, Password will be sent to his / her registered e-mail address.
- 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.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For 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, members can login any number of time till they have voted on the resolution(s) for a particular "Event". Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

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:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
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. Thursday, August 20, 2020.

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.

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e) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, 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 (1) 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/comtent/documents_for_inspection.pdf.

Dividend related information

20. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 21, 2020 to Thursday August 27, 2020 (both days inclusive).

21. Final dividend for the financial year ended March 31, 2020, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid on or before September 25, 2020, to those members whose names appear on the Register of Members as on Thursday, August 20, 2020.

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 updation 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 Private 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:

Notice: (Contd.)

Table 1: Resident Shareholders

Category of Shareholder	Tax Deduction Rate	Exemption Applicability / Documents required
Any resident shareholder	7.5%	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 FY 2020-21 does not exceed INR 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 Act	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 Act.
Mutual Funds	NIL	Documentary evidence that the person is covered under section 196 of the Act.
Alternative Investment fund	NIL	Documentary evidence that the person is covered by Notification No. 51/2015 dated 25 June 2015.
Other resident shareholder without PAN / Invalid PAN	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 Act.

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.

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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 Act.
Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI)	20% (plus applicable surcharge and cess)	None
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 6, 2020 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 6, 2020.

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

The Company will arrange to email 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.

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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 in 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 guided 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 Wednesday, August 5, 2020.

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.

A separate email communication was sent to the shareholders on Thursday, July 23, 2020, informing the said change in Income Tax Act, 1961 and as well as relevant procedure to be adopted by the shareholders for availing the applicable tax rate.

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

Notice: (Contd.)

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 financial year 2019-20, the Company has transferred to IEPF, the following unclaimed dividends and corresponding shares thereto:

Particulars	Amount of Dividend (in ₹)	No. of shares
3rd Interim Dividend 2011-12	*72,359	720
Final Dividend 2011-12	57,548	35
1st Interim Dividend 2012-13	75,171	-
2nd Interim Dividend 2012-13	64,160	250
3rd Interim Dividend 2012-13	73,138	#1535

*Transferred in March 2019

#Transferred in April 2020

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 2013-14 onwards proposed to be transferred to IEPF until the conclusion of the next Annual General Meeting are given below:

Date of declaration	Dividend Details	Dividend in ₹ per share	Due date of the proposed transfer to IEPF
17-Sep-2013	Final dividend (2012-13)	₹ 0.70	17-Oct-2020
14-Nov-2013	2nd interim dividend (2013-14)	₹ 0.70	12-Jan-2021
29-Jan-2014	3rd interim dividend (2013-14)	₹ 0.70	29-Mar-2021
22-July-2014	1st interim dividend (2014-15)	₹ 0.70	19-Sept-2021

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 1st April, 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.

By Order of the Board of Directors
For GMM Pfaudler Limited

Mittal Mehta
Company Secretary
M. No. F7848

Place: Mumbai,
Date: July 29, 2020

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

Item No. 5

The tenure of Deloitte Haskins & Sells LLP, Chartered Accounts as Statutory Auditors of the Company shall end at the conclusion of 57th Annual General Meeting scheduled to be held in August 2020. In accordance with Section 139(2) (b) of the Companies Act, 2013, the Statutory Auditors are eligible to be reappointment for a 2nd term of five consecutive years.

The Board, on recommendation of the Audit Committee, has approved the reappointment of M/s. Deloitte Haskins & Sells, (another entity from the Deloitte Group due to internal reconstitution) Chartered Accountants, Ahmedabad (ICAI Firm Registration No. 117365W) for the second term of 5 years w.e.f. 57th Annual General Meeting up to the conclusion of 62nd Annual General Meeting.

The Board recommends the resolutions at Item No. 5 of the accompanying notice for approval of the Members.

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

Item No. 6

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 2020-21 at a remuneration of ₹ 150,000 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. 6 for the approval of Members as an Ordinary Resolution.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

Item No. 7

Mr. Tarak Patel has been serving as the Managing Director of the Company since 2015. Considering Mr. Tarak Patel's wide experience and the significant contributions made by him to the Company during his tenure as Managing Director of the Company, the Board of Directors at its meeting held on May 23, 2020 after considering the recommendations of the Nomination and Remuneration Committee, has proposed to re-appoint Mr. Tarak Patel as the Managing Director of the Company for a further period of five years with effect from June 1, 2020 up to May 31, 2025 subject to approval of shareholders at the ensuing Annual General Meeting.

Taking into various factors such as performance of the Company, industry norms and payments to peers, it is proposed to pay remuneration to the Managing Director as under:

Year	Fixed Component (₹ in million)	Rationale	Variable Component
FY21	₹ 22.50 per annum	About 60% of total Remuneration paid in FY20	Remuneration @ 5% on Net Profit computed under Section 198 of the Companies Act, 2013 for FY21 minus fixed amount paid in FY21
FY22	Minimum ₹ 25.00 per annum or as may be decided by the BOD	About 60% of total Remuneration paid in FY21 subject to a Minimum of 10% increment in the fixed component paid in FY21.	Remuneration @ 5% on Net Profit computed under Section 198 of the Companies Act, 2013 for FY22 minus fixed amount paid in FY22
FY23	Minimum ₹ 27.50 per annum or as may be decided by the BOD	About 60% of total Remuneration paid in FY22 subject to a minimum 10% increment in the fixed component paid in FY22.	Remuneration @ 5% on Net Profit computed under Section 198 of the Companies Act, 2013 for FY23 minus fixed amount paid in FY23

Approval of the shareholders of the Company by way of a special resolution is being sought to comply with the provisions of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, so as to pay the Managing Director – Mr. Tarak Patel remuneration as determined above, which may exceed INR 5 crores in any given financial year.

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

Remuneration:

a. Basic Salary: INR 1,534,600 per month for the financial year 2020-21 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:

The Managing Director shall also be entitled to receive commission 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.

Minimum remuneration:

Subject to approval of shareholders of the Company in accordance with applicable law, the aforesaid remuneration, perquisites and commission 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 given below:

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(₹. In Millions)

	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016	31.03.2015
Income from Operations	5,163.55	4,187.02	3,176.73	2,663.07	2,296.01	2,240.09
Profit After Tax	621.23	406.35	283.75	282.20	183.58	172.03
Fixed Assets	1,288.85	677.07	553.01	500.32	438.76	376.18
Share Capital	29.23	29.23	29.23	29.23	29.23	29.23
Reserves	2,681.57	2,147.93	1,828.82	1,629.28	1,384.03	1,253.21
Dividend %	250%	225%	200%	200%	150%	150%

Foreign investments or collaborations:

The Company has entered into a foreign collaboration with Pfaudler Inc. USA since year 1987. The foreign promoter holds 50.44% shareholding in the Company as on March 31, 2018.

The Company's products are accepted by major multinational companies and have been exported to developed countries such as USA, Germany, Netherlands, Australia and Japan. The Company also exports to leading companies in Israel, China, Malaysia, Singapore, Indonesia and Thailand.

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, he 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."

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 played a pivotal role in the acquisition of the Industrial Mixing Solutions Division of Sudarshan Chemical Industries Limited in April 2019. This acquisition has helped GMM Pfaudler's industrial mixing business vertical by bringing in new products, technologies, customers and industry segments. Significant cost synergies are expected due to economies of scale, value engineering and by leveraging the strengths of both the organizations in their markets.

In June 2020, under the leadership of Mr. Tarak Patel, the Company announced announced the acquisition of De Dietrich Process Systems India Pvt. Ltd's Hyderabad facility. This acquisition will give us access to ready-made Glass Lined Equipment manufacturing capacity, which will further strengthen our presence in the region.

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 serves as Director on the Boards of Skyline Millars Ltd., Ready Mix Concrete Ltd. Mr. Patel is on the Governing Council of the Charutar Arogya Mandal and on the Board of ReefWatch Marine Conservation.

Remuneration:

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.

Notice: (Contd.)

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 8.55% of the shares in the Company.

III. OTHER INFORMATION

For the year ended March 31, 2020, the Company reported a net profit of ₹ 621.23 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, acquisitions coupled with the benefit from technology transfer and synergic benefits of subsidiary Company, Mavag AG, the Company is expected to achieve the sales and profit growth of 15% CAGR for coming 3 years on year to year basis.

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

The Board recommends the resolution at Item No. 7 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 being 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.

Item No. 8

The Company has received letters dated May 15, 2020 from Mrs. Panna Patel & Ms. Palomita Patel and request dated May 16, 2020 from Mrs. Pragna Patel, Promoters of the Company, for re-classification from Promoter category to Public category under Regulation 31A (2) & (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Details of their shareholding in the Company are as under:

Sr. No.	**Name of applicants classified** under Promoter Group category	No. of Equity Shares held	% of Shareholding
1.	Mrs. Panna Patel	33,750	0.23
2.	Mrs. Pragna Patel	16,160	0.11
3.	Ms. Palomita Patel	1,200	0.01
	Total	51,110	0.35

Mrs. Panna Patel (aged 77 years) and Mrs. Pragna Patel (aged 79 years) are the sisters of Mr. Ashok Patel, Director and aunts of Mr. Tarak Patel, Managing Director of the Company and hold equity shares in the Company as stated in table given above. Ms. Palomita Patel (aged 51 years) is the daughter of Mrs. Panna Patel and holds equity shares in the Company as stated in table given above.

The aforesaid shareholders are leading their lives and occupations independently and are not connected, directly or indirectly, whatsoever, with any activity of the Company. Further, the other persons in the Promoter Group of the Company do not have any control over the affairs or the decision-making process of these above referred shareholders.

The above referred shareholders do not directly or indirectly, exercise control, over the affairs of the Company. They have also never held at any time, any position of Key Managerial Personnel in the Company. They also do not have any special rights through formal or informal arrangements with the Company or Promoters or any person in the Promoter Group. They are also never privy to any price sensitive information of the Company.

As required by Regulation 31A and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the proposed re-classification shall require approval of shareholders by way of an Ordinary Resolution at the ensuing Annual General Meeting.

Notice: (Contd.)

The shareholders may note that a similar approval was taken from the shareholders in August 2018, but the application made to Stock Exchanges were not processed since one old case regarding non-disclosure of certain forms required to be filed under Regulation 8(2) of the Takeover Regulations, 1997 was pending with Securities and Exchange Board of India ("SEBI") against the Promoters of GMM Pfaudler Limited since November 2013. SEBI has given its adjudication vide order No. Order/GR/AE/2019-20/6753-6765 dated February 7, 2020 and the matter now stands closed.

The Board of Directors recommends passing of Ordinary Resolution as set out at Item No. 8 of this Notice.

Except Mr. Ashok Patel, none of the Directors and/or Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

Item No. 9

Dr.Dominic Deller (DIN 02798095), director nominated by Pfaudler Inc Promoter Company, had resigned as Chief Financial Officer of the said nominating Company with effect from June 30, 2020. Accordingly, Pfaudler Inc., nominated Mr. Alexander Pömpner (DIN 0008778448) as its nominee in place of Dr. Deller. As per the recommendation of the Nomination and Remuneration Committee, the Board of Directors vide resolution passed on July 2, 2020, appointed Mr. Pömpner as a Director of the Company in place Dr. Deller. Mr. Pömpner 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 upto the date of ensuing Annual General Meeting. The Company has received a Notice from Pfaudler Inc., nominating as director on the Board.

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

A brief profile of Mr. Alexander Pömpner is annexed to this Notice.

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

Except Mr. Alexander Pömpner, none of the Directors and/or Key Managerial Personnel and 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. F7848

Place: Mumbai,
Date: July 29, 2020

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
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	Management
Date of first appointment on the Board	January 1, 1988
Shareholding in the Company as on March 31, 2020	6,745
Terms and conditions of appointment/ continuation of Directorship	Non-Executive Director liable to retire by rotation.
Details of last remuneration drawn in ₹ (FY 2019-20)	₹ 0.75 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 financial year 2019-20.	Held - 6
	Attended – 6
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of the Company	Nil
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 i n which he is a Director	Nil

Name of Director	Mr. Thomas Kehl
DIN	06935094
Date of Birth	March 30, 1960
Qualifications	Degree in Marketing and General Management from The University for Applied Sciences Mainz
Expertise in specific functional area	International Business, Technology, Strategy, Marketing and General Management
Date of first appointment on the Board	May 19, 2015
Shareholding in the Company as on March 31, 2020	Nil
Terms and conditions of appointment/ continuation of Directorship	Non-Executive Director liable to retire by rotation.
Details of last remuneration drawn in ₹ (FY 2019-20)	Mr. Thomas Kehl has given a waiver for his right to Sitting fees vide letter date July 30, 2015.
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	None
Number of Meetings of the Board attended during the financial year 2019-20.	Held - 6
	Attended - 5
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of the Company	Nil
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

Annexure (Contd.)

Name of Director	Mr. Alexander Pömpner
DIN	0008778448
Date of Birth	June 6, 1975
Qualifications	Master degree in Business Administration ("Diplom-Kaufmann") and Chartered Financial Analyst (CFA)
Expertise in specific functional area	Finance, Strategy, Mergers & Acquisitions
Date of first appointment on the Board	July 2, 2020
Shareholding in the Company as on March 31, 2020	Nil
Terms and conditions of appointment/ continuation of Directorship	Non-Executive Director liable to retire by rotation.
Details of last remuneration drawn in ₹ (FY 2019-20)	Nil
Details of proposed remuneration	Mr. Alexander Pömpner has given a waiver for his right to Sitting fees vide letter dated July 28, 2020.
Inter-se Relationship between • Directors • Key Managerial Personnel	Not Applicable
Number of Meetings of the Board attended during the financial year 2019-20.	Since he was appointed w.e.f. July 2, 2020, he was not entitled to attend any Board Meeting during the financial year 2019-20.
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of the Company	Member of the Audit Committee, Stakeholders Relationship Committee & 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
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
Date of first appointment on the Board	January 30, 2007
Shareholding in the Company as on March 31, 2020	173,960
Terms and conditions of appointment/ continuation of Directorship	Managing Director
Details of last remuneration drawn in ₹ (FY 2019-20)	₹ 42.27 million
Details of proposed remuneration	As per explanatory statement
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 financial year 2019-20.	Held - 6 Attended – 6
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of the Company	Member of Stakeholders Relationship 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.

*Based on disclosures received from the Directors

Board's Report

To the Members:

The Directors have pleasure in presenting the Fifty Seventh Annual Report along with the Audited Statement of Accounts of the Company for the year ended March 31, 2020.

1. SUMMARY OF THE FINANCIAL RESULTS:

(₹ in Million)

	STANDALONE	
Particulars	**31.03.2020**	**31.03.2019**
Revenue from operations	5,163.55	4,187.02
Profit before tax	820.36	612.73
Profit after tax	621.23	406.35

During the financial year 2019-20, on standalone basis revenue was up by 23%, Profit before tax was up by 34% and Profit after tax was up by 53% as compared to previous financial year.

(₹ in Million)

	CONSOLIDATED	
Particulars	**31.03.2020**	**31.03.2019**
Revenue from operations	5,910.72	5,026.43
Profit before tax	922.70	732.70
Profit after tax	711.33	505.81

During the financial year 2019-20, on consolidated basis revenue was up by 18%, Profit before tax was up by 26% and Profit after tax was up by 41% as compared to previous financial year.

During the financial year 2019-20, there was no change in the business activities of the Company.

Detailed information on Overview of the industry and important changes in the industry during the last year, External environment and economic outlook and growth of the Company and other related disclosures are made in the Management Discussion & Analysis Report attached and forms part of this Report.

2. 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 (excluding dividend tax of ₹ 9.01 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 the Shareholders at the Annual General Meeting, which if approved will absorb ₹ 29.23 million towards dividend.

The aggregate amount of interim dividends paid during the year and the final dividend recommended for the financial year ended March 31, 2020 amounts to ₹ 5.00 per share i.e. ₹ 73.09 million.

The dividend declared and/or paid by the Company for the financial year 2019-20, 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 http://www.gmmpfaudler.com/content/DividendDistibutionPolicy.pdf

3. TRANSFER TO RESERVES:

No amount is proposed to be transferred to General Reserve out of the net profits of the Company for the financial year 2019-20. Hence, the entire amount of profit has been carried forward to the Profit & Loss Reserve Account.

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

The Company has four subsidiaries, namely, Karamsad Holdings Limited, Karamsad Investments Limited, GMM Mavag AG and Mavag AG.

During the year under review, Karamsad Holdings Limited and Karamsad Investments Limited had applied for Voluntary liquidation, pursuant to the provisions of Section 59 of the Insolvency and Bankruptcy Code, 2016 to National Company Law Tribunal (NCLT). The winding up order for both these subsidiaries have been received from NCLT and Karamsad Holdings Limited stands dissolved w.e.f. December 18, 2019 and Karamsad Investments Limited stands dissolved w.e.f. December 31, 2019.

Except as stated above, there are no companies which have become or ceased to be subsidiaries, associates, joint venture companies.

The performance and financial position of GMM Mavag AG and Mavag AG, the wholly owned subsidiaries of the Company for the year ended March 31, 2020 are set out as 'Annexure B' forming a part of this Report.

5. 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.

Board's Report (Contd.)

6. REVISION OF FINANCIAL STATEMENTS:

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

7. 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.

8. 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 submitted its reports to the Audit Committee. The said Reports do not include any observation of any serious lapses in the system.

9. MANAGEMENT DISCUSSION & ANALYSIS:

Management Discussion & Analysis Report for the year under review, under Regulation 24 of the SEBI Listing Regulations, is presented in a separate section and forms a part of this Report.

10. 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.

11. CORPORATE GOVERNANCE:

The Report on Corporate Governance as stipulated under Regulation 34 of the SEBI Listing Regulations, together with a Certificate from the Company's Auditors is presented in a separate section forms an integral part of this Report.

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

12. CORPORATE SOCIAL RESPONSIBILITY POLICY:

The Board has constituted a Corporate Social Responsibility ("CSR") Committee as per the provisions of Section 135 of the Companies Act, 2013. 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, 2020 in the format prescribed under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are set out as 'Annexure C' forming a part of this Report.

13. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into by the Company during the financial year were in ordinary course of business and at arm's length basis. Also, there were no related party transactions which could be considered material in accordance with the Policy of the Company on materiality of related party transactions.

All related party transactions are being reviewed and certified by an Independent Consultant and placed before the Audit Committee from time to time for their approval and 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 related party transactions. Prior omnibus approval is obtained for related party transactions 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

For details please refer to Note 38 to the Stand-alone Financial Statements which sets out related party disclosures pursuant to Ind AS.

14. 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 under the Investors Section on the Company's website at http://www.gmmpfaudler.com/content/Risk_Management_Policy_&_Strategy.pdf

Board's Report (Contd.)

15. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP):

A. DIRECTORS:

The present composition of the Board is in compliance with the provisions of Section 149 of the Companies Act, 2013.

During the year under review, Dr. Amrita Patel, Independent Director and Mr. Khurshed Thanawalla, Non-Executive Director (Pfaudler Representative) retired as Directors of the Company w.e.f. March 31, 2020. Mr. Vivek Bhatia and Ms. Bhawana Mishra were appointed as Independent Directors of the Company w.e.f. April 1, 2020. Mr. Harsh Gupta was appointed as Non-Executive Director and Representative of Pfaudler w.e.f. April 1, 2020.

As on date, Mr. Nakul Toshniwal, Dr. S. Sivaram, 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 Companies Act, 2013, Mr. Ashok Patel and Mr. Thomas Kehl, 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, none of the Independent Directors is liable to retire by rotation.

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 financial year 2019-20.

B. KEY MANAGERIAL PERSONNEL:

Mr. Tarak Patel, Managing Director, Mr. Ashok Pillai, Chief Operating Officer, Mr. Jugal Sahu, Chief Financial Officer and Ms. Mittal Mehta, Company Secretary & Compliance officer are the Key Managerial Personnel of the Company. There was no change in Key Managerial Personnel during the year under review.

C. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, and in relation to the audited financial statements of the Company for the year ended March 31, 2020, 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, 2020 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:

Six (6) Meetings of the Board of Directors were held during the financial year ended March 31, 2020. 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 date comprises of five members viz. Dr. S. Sivaram, Mr. Nakul Toshniwal & Mr. Vivek Bhatia, Independent Directors and Dr. Dominic Deller and Mr. Harsh Gupta, 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 and Role of the Audit Committee is 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.

Board's Report (Contd.)

F. STAKEHOLDERS RELATIONSHIP COMMITTEE & NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee and Stakeholder's Relationship Committee 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 Section of the Board' 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 D' forming a part of this Report.

H. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, 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 Evaluation Criteria applied are:

(a) For Independent Directors:

- Knowledge and Skills
- Professional conduct
- Duties, roles and functions

(b) For Executive Directors

- Performance as Team Leader / Member;
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios;
- Key set Goals / KRA and achievements;
- Professional Conduct, Integrity;
- Sharing of Information with the Board.

The Directors were satisfied with the evaluation process undertaken during the year.

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, 2020 are available on the Company's website at http://www.gmmpfaudler.com/content/FamiliarizationProgramme2019_20.pdf

J. SECRETARIAL STANDARDS:

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

16. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:

The Board of Directors of the Company has, pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Whistle Blower Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern / grievance to the Chairman of the Audit Committee. 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 financial year 2019-20.

17. PUBLIC DEPOSITS:

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 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.

18. AUDITORS AND AUDITORS' REPORT:

A. STATUTORY AUDITORS:

Deloitte, Haskins & Sells LLP, Chartered Accountants (FRN 117366W) were appointed as Statutory Auditors

of the Company, for a term of consecutive five years, i.e. from the conclusion of 52nd Annual General Meeting till the conclusion of 57th Annual General Meeting by the shareholders of the Company.

Since, the term of the Statutory Auditors is coming to an end at the ensuing Annual General Meeting, approval of shareholders is sought as set out at Item No. 5 of the notice of this Annual General Meeting for reappointment of M/s. Deloitte, Haskins & Sells, Chartered Accountants, Ahmedabad as Statutory auditors of the Company for a period of five consecutive years i.e. from the conclusion of the 57th Annual General Meeting till the conclusion of the 62nd Annual General Meeting. They have confirmed that they are not disqualified from being re-appointed as Auditors of the Company.

The Auditors' Report for the financial year ended March 31, 2020 report 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 AUDIT:

Secretarial Audit Report obtained pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under, from M/s. Rathi and Associates, Practicing Company Secretaries for the financial year 2019-20 is set out at 'Annexure E' forming a part of this Report.

The Secretarial Auditors Report for the financial year ended March 31, 2020 does not contain any reservation, qualification or adverse remark.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under, the Board of Directors has appointed M/s. Rathi and Associates, Practicing Company Secretaries for conducting Secretarial Audit Report of the Company for the financial year 2020-21.

C. COST AUDITORS:

M/s. Dalwadi & Associates, Cost Accountants, Ahmedabad, Cost Auditors of the Company for the financial year 2019-20 have been reappointed 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 2020-21. Necessary resolution for ratification of payment of remuneration to the said Cost Auditors is included in the Notice of Annual General Meeting dated May 23, 2020.

D. INTERNAL AUDITORS:

M/s. Kalyaniwalla & Mistry, Chartered Accountants has been appointed as Internal Auditors of the Company for the financial year 2020-21.

19. CREDIT RATING:

CRISIL has re-affirmed "A1+" rating to the Company's short-term banking facilities which is considered to have very strong degree of safety regarding timely payment of financial obligations carrying lowest credit risk.

20. 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 Companies Act, 2013 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 F' 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, 2020.

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. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2020 made under the provisions of Section 92(3) of the Act is set out at 'Annexure H' forming a part of this Report.

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

Board's Report (Contd.)

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 Companies Act, 2013 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 the 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 35,000 from Mavag AG, subsidiary of the Company.

H. INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 123 and 125 of the Companies Act, 2013 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").

During the year under review, the Company has transferred ₹ 270,017/- on account of unclaimed/ unpaid dividend along with corresponding 1,005 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

21. SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & 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 under review, the Company has not received any complaint.

22. 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 financial year 2019-20:

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 Companies Act, 2013 and Rules made there under.

23. 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: Lonavala
Date: May 23, 2020	

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;

Annexure 'A' (Contd.)

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.

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN : 00166183

Place: Pune
Date: May 23, 2020

Place: Lonavala

Annexure 'B'

PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

As on financial year ended on March 31, 2020

Sr. No	Name of the subsidiary	GMM Mavag AG	Mavag AG
1	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	CHF 78.50	CHF 78.50
3	Share capital	392.50	117.75
4	Reserves and Surplus	10.99	665.08
5	Total Assets	405.39	1,212.74
6	Total Liabilities	1.90	429.91
7	Investments	392.50	-
8	Turnover	-	865.62
9	Profit before taxation	2.53	100.02
10	Provision for taxation	0.02	12.42
11	Profit after taxation	2.51	87.60
12	Proposed Dividend	-	-
13	% of shareholding	100%	100%

Notes :

1. Financial numbers presented above are prepared under IND-AS. Balance sheet and income statement are translated using closing and average exchange rate as at March 31, 2020 respectively.
2. GMM Mavag AG was incorporated as a wholly owned subsidiary of GMM Pfaudler Limited on December 21, 2007.
3. Mavag AG is a wholly owned subsidiary of GMM Mavag AG and was acquired on January 11, 2008.

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN : 00166183

Place: Pune
Date: May 23, 2020

Place: Lonavala

Annexure 'C'

ANNUAL REPORT ON CSR ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   GMM Pfaudler Limited 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.

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

2. **The present Composition of the CSR Committee.**

   The members of the Committee as on date comprises of:

   - Mr. Nakul Toshniwal (Chairman) - Independent Director
   - Ms. Bhawana Mishra - Independent Director
   - Mr. Ashok Patel - Non-Executive Director
   - Mr. Tarak Patel - Managing Director

3. **Average Net Profit of the Company for last three financial years.**

   Average Profits for the last three financial years calculated as per Section 198 of the Companies Act, 2013: ₹ 471.98 million

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above)**

   ₹ 9.44 million

5. **Unspent CSR Expenditure of the previous year**

   Nil

6. **Details of CSR spent during the financial year;**

   (a) Total amount spent for the financial year: ₹ 7.29 million

   (b) Amount unspent, if any: ₹ 2.15 million

Annexure 'C' (Contd.)

(c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the state and district where project or program was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure upto the reporting period (in ₹ million)	Amount spent direct or through implementing agency (IA)
1.	Project "Sparsh"- Promoting rural healthcare	Promoting healthcare including preventive healthcare	Karamsad, Dist. Anand, Gujarat	4.25	2.50	12.36	Through IA - Charutar Arogya Mandal.
2.	Maintenance of Public Facilities at Sardar Patel Memorial	Ensuring Environmental Sustainability	Karamsad, Dist. Anand, Gujarat	0.64	0.64	0.64	Through IA - Sardar Patel Trust.
3.	Vocational Skill Development	Promoting education and enhancing vocational skills	Karamsad, Dist. Anand, Gujarat	2.48	2.08	2.08	Through IA - J. V. Patel Industrial Training Institute.
4.	Contribution to ReefWatch Marine Conservation for Project "Re(ef) Generate" at Andaman Islands.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna	Andaman Islands	1.00	1.00	2.00	Through IA - ReefWatch Marine Conservation
5.	Contribution to ReefWatch Marine Conservation for Mega-fauna Rescue & Beach Restoration on the Karnataka coast	Ensuring environmental sustainability, ecological balance, protection of flora and fauna	Kerala, Karnataka	1.07	1.07	1.07	Through IA - ReefWatch Marine Conservation
			Total	**9.44**	**7.29**	**18.15**	

7. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:

A total amount of ₹ 2.15 million though disbursed by the Company, could not be spent by the Implementing Agencies during the financial year 2019-20 due to COVID-19 and subsequent lockdown in the country. The said unspent amount shall be spent in the financial year 2020-21.

8. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

The CSR Committee of the Company confirms that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the Company.

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN : 00166183

Place: Pune
Date: May 23, 2020

Place: Lonavala

Annexure 'D'

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:

- At least 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

Annexure 'D' (Contd.)

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 Companies Act, 2013.
- 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 authorize the payment of remuneration up to 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 up to 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 SEBI 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.

Annexure 'D' (Contd.)

- 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.

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN : 00166183

Place: Pune
Date: May 23, 2020

Place: Lonavala

Annexure 'E'

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[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 – 388 325, 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.

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 31st March, 2020, 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") as given in Annexure I, for the Financial Year ended on 31st March, 2020, 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.

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 Independent Director in compliance with the provisions of the Companies Act, 2013.

As regards the constitution of the Board, please note that:

a. Dr. Amrita Patel (DIN: 00065052) was re-appointed as a Non-executive Independent Director for a

Annexure 'E' (Contd.)

second term commencing from 1st April, 2019 up to 31st March, 2020; and

b. Dr. Swaminathan Sivaram (DIN: 00009900) was re-appointed as a Non-executive Independent Director for a second term commencing from 11th February, 2020 up to the conclusion of 59th Annual General Meeting to be held for the financial year 2021-22.

Apart from the above, there were no changes in the composition of the Board of Directors that took place during the period under report.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As 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.

Based on the information provided, we further report that the Company acquired Industrial Mixing Solutions Division of Sudarshan Chemical Industries Limited in April 2019, with a view to enhance GMM Pfaudler's industrial mixing business vertical by bringing in new products, technologies, customers and industry segments.

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

Place: Mumbai
Date: May 22, 2020

Note: This report should be read with our letter of even date which is annexed as Annexure-II and forms an integral part of this report.

ANNEXURE – I

List of documents verified:

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended March 31, 2019.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Share Transfer Committee and Independent Directors' Committee along with Attendance Registers thereof, in respect of the meetings held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Policies under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015and the Companies Act, 2013.
6. Statutory Registers under the Companies Act, 2013.
7. Notice and Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
9. Intimations received from Directors under the Insider Trading Code.
10. E-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
11. Intimations / documents / reports / returns filed with the Stock Exchange pursuant to the provisions of LODR and SAST Regulations during the financial year under report.
12. Documents related to payment of dividends made to its shareholders during the financial year under report.
13. Disclosures made with the Stock Exchanges.
14. Statement of Related Party Transactions entered into by the Company during the financial year under report.
15. Compliance Certificate placed before the Board of Directors from time to time.

Annexure 'E' (Contd.)

ANNEXURE – II

To
The Members,
GMM PFAUDLER LIMITED
Vithal Udyognagar,
Anand – Sojitra Road,
Karamsad – 388 325,
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 22, 2020

Annexure 'F'

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 Variable Frequency Drive for 100HP Compressor & obtained 7% power saving.
2. 20% water saving/day by the use of cured water for gardening from the Sewage Treated Plant
3. Installed Radio Remote Control for EOT Cranes in the Enameling Plant to reduce the requirement for crane operators and thus saved manpower.

(b) Steps taken by the Company for utilizing alternate sources of energy:

1. Installed 1MW Roof Top Solar Plant with grid connectivity & commissioned in December 2019. Total generated Power 2,82,640 KWH up to March 31, 2020.
2. The Company owns and maintains windmills with a total generating capacity of 1.8 MW. The windmills generated about 14,37,748 KWH for the year ended March 31, 2020.

(c) Modification / retrofitting of equipment to increase productivity & cost reduction:

1. Software for the nozzle cutting Robotic machine was indigenized.
2. RTF # 01 & RT # F02 Furnace were revamped to improve furnace efficiency, which improved productivity and consumption of natural gas.
3. Retrofitting work done to improve efficiency and minimize breakdown time of the following equipment:
   - 800 KW electric furnace
   - 360 KW electric furnace
   - EOT Crane in the Enameling Plant
   - Lathe Machine CL05
   - Radial Drill Machine RD04

(d) Safety:

1. Upgraded Electrical installation in Glass Lined Assembly Bay-2 facility to meet required safety standards.
2. Arranged Emergency Exit for Main building Office First Floor to make the building Fire Compliant.
3. Implementation of 5S activity though out company to improve housekeeping.
4. The following Safety related trainings were conducted by an external agency, Momentum India, for improving workmen awareness & safety levels at plant.
   - Basic Fire Fighting
   - Basic First Aid
   - Electrical Safety Training
   - Importance of Earthing
   - Lock out – Tag out
   - Effective Preventive Maintenance

(e) Capital investment on energy conservation equipment: ₹ 34.2 million

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 Millions)

	Year ended 31.03.2020	Year ended 31.03.2019
Capital Expenditure	-	-
Recurring Expenditure	16.90	14.44
Total	16.90	14.44
Total R & D Expenditure as % of Total Turnover	0.32%	0.35%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ In Millions)

	Year ended 31.03.2020	Year ended 31.03.2019
Actual Foreign Exchange earnings	579.22	453.34
Actual Foreign Exchange outgo	357.30	240.30

For and on behalf of the Board of Directors

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN : 00166183

Place: Pune
Date: May 23, 2020

Place: Lonavala

Annexure 'G'

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 financial year 2019-20:**

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 Chairman	N.A.	N.A.
*Dr. Amrita Patel - Non-Executive & Independent Director	N.A.	N.A.
*Mr. Nakul Toshniwal - Non-Executive & Independent Director	N.A.	N.A.
*Mr. Khurshed Thanawalla - Non-Executive Director	N.A.	N.A.
#Mr. Thomas Kehl - Non-Executive Director	N.A.	N.A.
#Dr. Dominic Deller - Non-Executive Director	N.A.	N.A.
*Mr. Ashok Patel - Non-Executive Director	N.A.	N.A.
Mr. Tarak Patel - Managing Director	36%	70
Mr. Ashok Pillai - Chief Operating Officer	2%	19
Mr. Jugal Sahu - Chief Financial Officer	4%	14
Ms. Mittal Mehta - Company Secretary & Compliance Officer	12%	4

*Entitled for sitting fees
Sitting fee waiver given

2. **The percentage increase in the median remuneration of employees in the financial year ended March 31, 2020: 6%.**

   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: 536**

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. 2019-20 was 14%, whereas the increase in the managerial remuneration for the same financial year was 36%.

   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. For the purpose of this clause managerial remuneration means the remuneration and emoluments paid to the Managing Director.

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.

Annexure 'G' (Contd.)

6. List of employees of the Company drawing salary not less than ₹ 102 lacs per annum or ₹ 8.50 lacs per month during the financial year 2019-20:

Name	Designation	Remuneration	Qualifications	Experience (in years)	Joining date	Age (in years)	Last employ-ment
Mr. Tarak Patel	Managing Director	₹ 42.27 million p.a.	BA, University of Rochester, USA; MBA jointly conferred by Columbia Business School, London Business School and University of Hong Kong (HKU) Business School	19	15.01.2001	44	-
Mr. Ashok Pillai	Chief Operating Officer	₹ 11.46 million p.a.	BE (Hons) in Electrical and Electronics from BITS, Pilani; Diploma in Management Studies from Mumbai University	38	01.08.1995	65	-

Notes:

(i) The employment of Mr. Tarak Patel is contractual.

(ii) Mr. Tarak Patel (along with their spouse and dependent children) does not hold more than 2% of the shares of the Company.

(iii) Mr. Tarak Patel, Managing Director is the son of Mr. Ashok Patel, Director of the Company. None of the above Directors are related to each other.

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN : 00166183

Place: Pune
Date: May 23, 2020

Place: Lonavala

Annexure 'H'

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L29199GJ1962PLC001171
Registration Date	:	November 17, 1962
Name of the Company	:	GMM Pfaudler Limited
Category / Sub-Category of the Company	:	Public Company
Address of the Registered office and contact details	:	Vithal Udyognagar, Anand- Sojitra Road, Karamsad - 388 325, Gujarat. Tel: +91 2692 661700 / 230416 / 230516 Fax: +91 2692 661888 / 236467 Email: worksko@gmmpfaudler.com
Whether listed Company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Link Intime India Pvt. Ltd. C-101, 247 Park,L B S Marg, Vikhroli West, Mumbai - 400 083. Tel: +91 22 49186270 Fax: +91 22 49186060 Email: gmminvestors@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the Company
1	Manufacture of other Special – Purpose Machinery	28299	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
1	* Karamsad Holdings Limited Vithal Udyognagar, Anand - Sojitra Road, Karamsad - 388 325, Gujarat.	U65993GJ1997PLC032514	Wholly Owned Subsidiary	100%	2(87)
2	*Karamsad Investments Limited Vithal Udyognagar, Anand - Sojitra Road, Karamsad - 388 325, Gujarat.	U65990GJ1997PLC032513	Wholly Owned Subsidiary	100%	2(87)
3	GMM Mavag AG Kleiner Letten 9 8213 Neunkirch, Switzerland.	N.A.	Wholly Owned Subsidiary	100%	2(87)
4	Mavag AG (step down subsidiary) Kleiner Letten 9 8213 Neunkirch, Switzerland.	N.A.	Wholly Owned Subsidiary of GMM Mavag AG	100%	2(87)

* **Karamsad Holdings Limited** (KHL) and **Karamsad Investments Limited** (KIL) (Wholly owned Subsidiary of the Company) has applied for Members' Voluntary Winding up under provisions of Section 59 of the Insolvency and Bankruptcy Code, 2016 on August 11, 2018. Winding up order for Karamsad Investments Limited and Karamsad Holdings Limited has been received from National Company Law Tribunal and KIL stands dissolved effective December 31, 2019 and KHL stands dissolved effective December 18, 2019.

Annexure 'H' (Contd.)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Break up as % of Total Equity):

a) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a)Individual/HUF	1,301,045	-	1,301,045	8.90	1,301,045	-	1,301,045	8.90	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2,036,480	-	2,036,480	13.93	2,036,480	-	2,036,480	13.93	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (Trust)	253,125	-	253,125	1.73	253,125	-	253,125	1.73	-
Sub-total(A)(1):	3,590,650	-	3,590,650	24.56	3,590,650	-	3,590,650	24.56	-
(2) Foreign									
a) NRIs - Individu-als	-	-	-	-	-	-	-	-	-
b) Other – Individ-uals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	7,372,475	-	7,372,475	50.44	7,372,475	-	7,372,475	50.44	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	7,372,475	-	7,372,475	50.44	7,372,475	-	7,372,475	50.44	-
Total sharehold-ing of Promoter (A) = (A)(1)+(A)(2)	10,963,125	-	10,963,125	75.00	10,963,125	-	10,963,125	75.00	-
B. Public									
Shareholding									
(1) Institutions									
a) Mutual Funds	1,46,863	-	1,46,863	1.00	2,93,162	-	2,93,162	2.00	1.00
b) Banks / FI	7,480	-	7,480	0.05	12,555	-	12,555	0.08	0.03
c) Central Govt	-	-	-	-					
d) State Govt(s)	-	-	-	-					
e) Venture Capital Funds	-	-	-	-					
f) Alternate Invest-ment Funds	-	-	-	-	4,181	-	4,181	0.03	0.03
f) Insurance Companies	-	-	-	-					
g) FIIs	-	-	-	-					
h)Foreign Venture Capital Funds	-	-	-	-					
i) Others (specify)	-	-	-	-					
Foreign Portfolio Investor	48,875	-	48,875	0.33	39,954	-	39,954	0.27	(0.06)
Sub-total (B)(1):	2,03,218	-	2,03,218	1.39	3,49,852	-	3,49,852	2.39	1.00
(2) Government	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	-	-	-	-	-	-	-	-	-
(3) Non-Institutions									
a) Bodies Corp.									
i) Indian	615,140	75	615,215	4.22	516,082	75	516,157	3.53	(0.69)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Share-holdersholding nominal share capital upto ₹ 2 lakh	2,226,123	168,085	2,394,208	16.38	2,123,829	139940	2,263,769	15.49	(0.89)
ii) Individual Shareholders holding nominal share capital in excess of ₹ 2 lakh	-	118,125	118,125	0.81		118,125	118,125	0.81	-
c) Any Other (Clearing member)	11,749	-	11,749	0.08	26,887	-	26,887	0.18	0.10
c-i) Any Other (Trust)	20,657	-	20,657	0.14	20,682	-	20,682	0.14	0.00
c-ii) Any Other (Non Resident In-dians)	111638	-	111,638	0.76	156,603	-	156,603	1.07	0.31
c-iii) Any Other HUF	129944	-	129,944	0.88	153,874	-	153,874	1.05	0.17
c-iv) Any Other (IEPF)	47421	-	47,421	0.32	48,426	-	48,426	0.33	0.01
d) NBFCs regis-tered with RBI	2,200	-	2,200	0.01	-	-	-	-	(0.01)
Sub-total(B)(3):	3,164,872	286,285	3451157	23.61	3,046,383	258140	3,304,523	22.60	(1.00)
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	3,368,090	286,285	3,654,375	25.00	3,396,235	258140	3,654,375	25.00	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
-Grand Total (A+B+C)	14,331,215	286,285	14,617,500	100.00	14,359,360	258,140	14,617,500	100.00	-

Annexure 'H' (Contd.)

b) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Pfaudler Inc	7,372,475	50.44	-	7,372,475	50.44	-	-
2	Millars Machinery Company Pvt. Ltd.	1,625,595	11.12	-	1,625,595	11.12	-	-
3	Urmi Patel	625,000	4.27	-	625,000	4.27	-	-
4	Uttarak Enterprise Pvt. Ltd.	410,885	2.81	-	410,885	2.81	-	-
5	A. J. Patel HUF	277,235	1.90	-	277,235	1.90	-	-
6	Ashok Patel (A J Patel Ch. Trust)	253,125	1.73	-	253,125	1.73	-	-
7	Tarak Patel	173,960	1.19	-	173,960	1.19	-	-
8	Uttara Patel	166,995	1.14	-	166,995	1.14	-	-
9	Panna Patel	33,750	0.23	-	33,750	0.23	-	-
10	Pragna Patel	16,160	0.11	-	16,160	0.11	-	-
11	Ashok Patel	6,745	0.05	-	6,745	0.05		
12	Palomita Patel	1,200	0.01	-	1,200	0.01	-	-
	Total	**10,963,125**	**75.00**	**-**	**10,963,125**	**75.00**	**-**	**-**

c) Change in Promoters' Shareholding: NIL

d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 1.04.2019		Transactions during the year		Cumulative shareholding at the end of the year 31.03.2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	Chandler & Price (I) Pvt Ltd	351,555	2.40	-	-	351,555	2.4000
2	L&T Mutual Fund Trustee Limited - L&T Emerging Opportunities Fund - Series I	146,863	1.00			0	0.00
	Transfer			21.02.2020	3,346	143,517	0.9818
	At the end of the year					143,517	0.9818
3	Sumant J. Patel	118,125	0.80	-	-	118,125	0.8000
4	Edelweiss Trusteeship Co. Ltd. AC- Edelweiss MF AC- Edelweiss Small Cap Fund	-	-	-	-	-	-
	Transfer			14.06.2019	26,319	26,319	0.1801
	Transfer			21.06.2019	11,756	38,075	0.2605
	Transfer			29.06.2019	9,187	47,262	0.3233
	Transfer			05.07.2019	4,997	52,259	0.3575
	Transfer			26.07.2019	6,049	58,308	0.3989
	Transfer			02.08.2019	1,094	59,402	0.4064
	Transfer			23.08.2019	7,058	66,460	0.4547

Annexure 'H' (Contd.)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 1.04.2019		Transactions during the year		Cumulative shareholding at the end of the year 31.03.2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			30.08.2019	13,300	79,760	0.5456
	Transfer			06.09.2019	7,667	87,427	0.5981
	Transfer			13.09.2019	6,299	93,726	0.6412
	Transfer			20.03.2020	13,403	1,07,129	0.7329
	Transfer			27.03.2020	9,136	116,265	0.7954
	At the end of the year					116,265	0.7954
5	Mr. Danesh Boman Irani	69,690	0.4768				
	Transfer			14.06.2019	(629)	69,061	0.4725
	Transfer			19.07.2019	(215)	68,846	0.4710
	Transfer			26.07.2019	(1,000)	67,846	0.4641
	Transfer			16.08.2019	(1,000)	66,846	0.4573
	Transfer			11.10.2019	(522)	66,324	0.4537
	Transfer			25.10.2019	(248)	66,076	0.4520
	Transfer			01.11.2019	(1,922)	64,154	0.4389
	Transfer			01.11.2019	(658)	63,496	0.4344
	Transfer			15.11.2019	(884)	62,612	0.4283
	Transfer			13.12.2019	(456)	62,156	0.4252
	Transfer			20.12.2019	(1,136)	61,020	0.4174
	Transfer			10.01.2020	(28)	60,992	0.4173
	Transfer			28.02.2020	(100)	60,892	0.4166
	Transfer			06.03.2020	(500)	60,392	0.4131
	Transfer			13.03.2020	(159)	60,233	0.4121
	Transfer			20.03.2020	(114)	60,119	0.4113
	Transfer			27.03.2020	(500)	59,619	0.4079
	At the end of the year					59,619	0.4079
6	Mr. Boman Burjor Irani	58,300	0.3988	-	-		
	Transfer			14.06.2019	(24,26)	55,874	0.3822
	Transfer			05.07.2019	(265)	55,609	0.3804
	Transfer			26.07.2019	(600)	55,009	0.3763
				01.11.2019	(584)	54,425	0.3723
	Transfer			20.12.2019	(1,000)	53,425	0.3655
	Transfer			27.12.2019	(500)	52,925	0.3621
	Transfer			03.01.2020	(234)	52,691	0.3605
	Transfer			24.01.2020	(573)	52,118	0.3565
	Transfer			13.03.2020	(21)	52,097	0.3564
	At the end of the year					52,097	0.3564
7	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	47,421	0.3244				
	Transfer			18.04.2019	720	48,141	0.3293
	Transfer			03.12.2019	35	48,176	0.3295
	Transfer			14.01.2020	250	48,426	0.3312
	At the end of the year	-	-	-		48,426	0.3312
8	Kashmira Aspandiar Irani	51,368	0.3514				
	Transfer			22.11.2019	(868)	50,500	0.3455
	Transfer			24.01.2020	(70)	50,430	0.3450
	Transfer			31.01.2020	(430)	50,000	0.3421
	Transfer			07.02.2020	(1,000)	49,000	0.3352
	Transfer			14.02.2020	(1,000)	48,000	0.3284
	Transfer			28.02.2020	(500)	47,500	0.3250

Annexure 'H' (Contd.)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 1.04.2019		Transactions during the year		Cumulative shareholding at the end of the year 31.03.2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			06.03.2020	(2,010)	45,490	0.3112
	Transfer			13.03.2020	(200)	45,290	0.3098
	At the end of the year					45,290	0.3098
9	Kamlesh Navin Shah	-	-				
	Transfer			14.06.2020	45,238	45,238	0.3095
	Transfer			31.12.2019	(45,000)	238	0.0016
	Transfer			14.02.2020	45,000	45,238	0.3095
	Transfer			21.02.2020	(45,000)	238	0.0016
	Transfer			13.03.2020	45,000	45,238	0.3095
	At the end of the year					45,238	0.3095
10	Kamlesh N Shah	-	-				
	Transfer			07.02.2020	39,000	39,000	0.2668
	At the end of the year					39,000	0.2668
11	Suman Bang	35,741	0.2445				
	Transfer			27.03.2020	(942)	34,799	0.2381
	At the end of the year	-	-	-		34,799	0.2381

e) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Ashok Patel	6,745	0.0461	6,745	0.0461
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2020)	N.A.	N.A.	6,745	0.0461
2	Tarak Patel	173,960	1.1901	173,960	1.1901
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2020)	N.A.	N.A.	173,960	1.1901
3	Dr. Amrita Patel*	375	0.002	375	0.002
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2020)	N.A.	N.A.	375	
4	Ashok Pillai	750	0.005	750	0.005
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2020)	N.A.	N.A.	750	

*Retired w.e.f March 31, 2020

Except as mentioned above, no other directors were holding any shares in the Company.

Annexure 'H' (Contd.)

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding / accrued but not due for payment as below:

(₹ in millions)

Particular	Secured Loans excluding deposits	Unsecured	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition(Principal & Interest)	-	162.64	-	162.64
Reduction(Principal & Interest)	-	(50.38)	-	(50.38)
Exchange Difference	-	-	-	-
Net Change	-	112.26	-	112.26
Indebtedness at the end of the financial year				
i) Principal Amount	-	112.26	-	112.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	112.26	-	112.26

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a) Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in millions)

Sr. No.	Particulars of Remuneration to Mr. Tarak Patel, Managing Director	Total Amount
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.48
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.04
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	27.73
	- as % of profit	-
	- others, specify	-
5	Others	
	- Retirement benefits	1.51
	- Special Incentive	4.51
	Total (A)	**42.27**
	Ceiling as per the Companies Act, 2013	₹ 42.27 (Being 5% of the net profits of the company calculated as per Section 198 of the Companies Act, 2013)

Annexure 'H' (Contd.)

b) Remuneration to other Directors:

(₹ in millions)

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors		
	Fee for attending board / committee meetings	Dr. S. Sivaram	1.03
		Dr. Amrita Patel	0.70
		Mr. Nakul Toshniwal	1.02
	Commission		-
	Others, please specify		-
	Total (1)		**2.75**
2	Other Non-Executive Directors		
	Fee for attending board / committee meetings	Mr. Ashok Patel	0.32
		Mr. Khurshed Thanawalla	0.15
	Commission		-
	Others, please specify		-
	Total (2)		**1.15**
	Total (B)=(1+2)		**3.90**
	Total Managerial Remuneration		**46.17**
	Overall Ceiling as per the Companies Act, 2013	Non-Executive Directors were paid sitting fees for attending the meetings of the Board and Committees thereof during the financial year 2019-20, which were within the limits prescribed under the Companies Act, 2013.	

c) Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

(₹ in millions)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Ashok Pillai, Chief Operating Officer	Mr. Jugal Sahu, Chief Financial Officer	Ms. Mittal Mehta, Company Secretary	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.09	6.56	1.81	16.46
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.04	0.04		0.08
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	–	–	–	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Performance Incentive	2.70	1.05	0.25	4.00
5	Others – Retirement benefits	0.63	0.55	0.20	1.38
	Total	**11.46**	**8.20**	**2.26**	**21.92**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN : 00166183

Place: Pune
Date: May 23, 2020

Place: Lonavala

Report on Corporate Governance

A report for the financial year ended March 31, 2020 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-Sexual Harassment Policy
- Antitrust Policy
- 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

Report on Corporate Governance (Contd.)

- Export Compliance Policy
- Familiarization Program
- 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 & Strategy
- Suppliers' Code of Conduct
- Whistle Blower Policy

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 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 Board and Committee meeting. 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 read with rules issued thereunder, SEBI 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: As on date of this report, the Board comprises of nine Directors, including 1 Executive and 8 Non-Executive, of which 4 are Independent Directors. The composition of the Company's Board is in conformity with Regulation 17(1) of the Listing Regulations and other applicable regulatory requirements. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

b) Number and dates of Board meetings held during the financial year 2019-20: Six Board Meetings were held during the year ended on March 31, 2020 on April 12, 2019, May 30, 2019; August 13, 2019; August 14, 2019 November 7, 2019 and January 23, 2020.

Report on Corporate Governance (Contd.)

c) Details of composition and category of Directors, attendance at the Board meetings, Annual General Meeting, shareholding, other Directorships and Committee positions held in other Companies of each Director:

Name of Director	Category of Directorship	Attendance at		Number of Equity shares held in the Company $	Number of Director-ships 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	6	Yes	Nil	6	Nil
Dr. Amrita Patel ^	Non-Executive, Independent Director	4	Yes	375	Nil	Nil
Mr. Nakul Toshniwal	Non-Executive, Independent Director	6	Yes	Nil	Nil	Nil
Mr. Ashok Patel *	Non-Executive Director	6	Yes	283,980@	2	Nil
Mr. Tarak Patel *	Executive Director	6	Yes	173,960	2	1
Mr. Thomas Kehl #	Non-Executive Director	5	Yes	Nil	Nil	Nil
Dr. Dominic Deller#	Non-Executive Director	6	Yes	Nil	Nil	Nil
Mr. Khurshed Thanawalla #^	Non-Executive Director	4	Yes	Nil	1	2
Ms. Bhawana Mishra+	Non-Executive, Independent Director	N.A.	N.A.	Nil	Nil	Nil
Mr. Vivek Bhatia +	Non-Executive, Independent Director	N.A.	N.A.	Nil	Nil	Nil
Mr. Harsh Gupta +#	Non-Executive Director	N.A.	N.A.	Nil	1	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
^ Retired w.e.f. March 31, 2020
\+ Appointed w.e.f. April 1, 2020
** Includes directorships in public companies. Does not include directorships held in private companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.
% Includes Memberships in Audit Committees and Stakeholders Relationship Committees only in accordance with Regulation 26(1) of the SEBI Listing Regulations.

d) Chart setting out the type of directorships held in 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
Dr. Amrita Patel^	Nil	Not Applicable
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. Thomas Kehl	Nil	Not Applicable
Dr. Dominic Deller	Nil	Not Applicable
Mr. Khurshed Thanawalla^	• Stovec Industries Ltd.	Independent Director
Ms. Bhawana Mishra +	Nil	Not Applicable
Mr. Vivek Bhatia +	Nil	Not Applicable
Mr. Harsh Gupta +	Solaris Chemtech Industries. Ltd.	Not Applicable

^ Retired w.e.f. March 31, 2020

+ Appointed w.e.f. April 1, 2020

Report on Corporate Governance (Contd.)

Pursuant to the provisions of Section 165(1) the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors holds Directorships in more than 20 companies (Public or Private), 10 public companies, Membership of Board Committees (Audit & Stakeholders Relationship Committees) in excess of 10 and Chairmanship of Board Committee in excess of 5. None of the Directors serve as Independent Director in more than 7 listed companies. None of the Director who serves as 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 were no resignations of Independent Directors. Dr. Amrita Patel, Independent Director completed her term on March 31, 2020 and retired.

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
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. Thomas Kehl	International Business, Technology, Strategy, Marketing and General Management
Dr. Dominic Deller	Finance, Risk Management, Marketing & 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 +	Extensive business experience across mining, metals & mineral processing, cement, power and engineered capital goods
Mr. Harsh Gupta +	Business Management, sales & marketing, mergers & acquisitions, and corporate planning & strategy
Dr. Amrita Patel^	Environmentalist, Strategy & Business Development
Mr. Khurshed Thanwalla^	Relationship & Networking, Business Opportunity Development, Market Intelligence & Research, Organizational Support, Brand Building

+ Appointed w.e.f. April 1, 2020

^Retired w.e.f. March 31, 2020

Report on Corporate Governance (Contd.)

9. COMMITTEES:

Details of the Committees and other related information are provided hereunder:

Composition of Committees of the Company as on date:

Name of Director	Category of Directorship	Position in Committee
Audit Committee		
Dr. S. Sivaram	**Non-Executive - Independent Director**	**Chairman**
Mr. Nakul Toshniwal	Non-Executive - Independent Director	Member
Mr. Vivek Bhatia+	Non-Executive - Independent Director	Member
Dr. Dominic Deller	Non-Executive Director	Member
Mr. Harsh Gupta+	Non-Executive Director	Member
Dr. Amrita Patel^	Non-Executive - Independent Director	Member

+Appointed w.e.f. April 1, 2020
^Retired w.e.f. March 31, 2020

Stakeholders' Relationship Committee		
Dr. S. Sivaram	**Non-Executive - Independent Director**	**Chairman**
Mr. Tarak Patel	Executive Director	Member
Dr. Dominic Deller	Non-Executive Director	Member

Nomination & Remuneration Committee		
Mr. Nakul Toshniwal	**Non-Executive - Independent Director**	**Chairman**
Dr. S. Sivaram	Non-Executive - Independent Director	Member
Ms. Bhawana Mishra^	Non-Executive - Independent Director	Member
Mr. Ashok Patel	Non-Executive Director	Member
Mr. Thomas Kehl	Non-Executive Director	Member
Dr. Amrita Patel+	Non-Executive - Independent Director	Chairperson

+Appointed w.e.f. April 1, 2020
^Retired w.e.f. March 31, 2020

Corporate Social Responsibility Committee		
Mr. Nakul Toshniwal	**Non-Executive - Independent Director**	**Chairman**
Ms. Bhawana Mishra#	Non-Executive - Independent Director	Member
Mr. Tarak Patel	Executive Director	Member
Mr. Ashok Patel	Non-Executive Director	Member
Dr. Amrita Patel+	Non-Executive - Independent Director	Chairperson

+Appointed w.e.f. April 1, 2020
^Retired w.e.f. March 31, 2020

Risk Management Committee:		
Dr. Dominic Deller	**Non-Executive Director**	**Chairman**
Mr. Vivek Bhatia+	Non-Executive - Independent Director	Member
Mr. Ashok Patel	Non-Executive Director	Member
Mr. Tarak Patel	Executive Director	Member
Mr. Ashok Pillai	Chief Operating Officer	Member
Mr. Jugal Sahu	Chief Financial Officer	Member

+Appointed w.e.f. April 1, 2020

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
Meetings held	**5**	**2**	**2**	**2**
Directors attendance				
Dr. S. Sivaram	5	2	2	N.A.
Dr. Amrita Patel^	3	N.A.	1	1
Mr. Nakul Toshniwal	5	N.A.	2	2
Mr. Tarak Patel	N.A.	2	N.A.	2
Mr. Ashok Patel	N.A.	N.A.	2	1
Mr. Thomas Kehl	N.A.	N.A.	1	N.A.
Mr. Khurshed Thanawalla^	N.A.	N.A.	N.A.	N.A.
Dr. Dominic Deller	5	2	1*	N.A.

^retired on March 31, 2020
* Dr. Dominic Deller was appointed as a member of NRC for one meeting
NA - 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 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 Companies Act, 2013 and Regulation 18 of the Listing Regulations. Members of the Audit Committee possess the requisite qualifications.

The composition of the Committee is given in Point No. 9 of this Report. During the year under review, Dr. Amrita Patel retired as a member of the Audit Committee on March 31, 2020. Mr. Vivek Bhatia, Independent Director and Mr. Harsh Gupta, Non-Executive Director were appointed as members of the Committee effective April 1, 2020.

Meeting details:

The Audit Committee met five times during the year under review viz. April 12, 2019, May 30, 2019; August 13, 2019; November 7, 2019 and January 23, 2020. The minutes of the Audit Committee Meetings were taken on record at the Board Meetings.

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;

Report on Corporate Governance (Contd.)

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

Report on Corporate Governance (Contd.)

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, atleast 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.

Report on Corporate Governance (Contd.)

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 Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The composition of the Committee is given in Point No. 9 of this Report. There were no changes in the Committee membership during the year under review.

The Stakeholders Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of shares and redressal of shareholders'/ investors' complaints.

Compliance Officer:

Ms. Mittal Mehta, Company Secretary is the Compliance Officer for complying with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meeting Details:

The Stakeholders Relationship Committee met two times during the year under review i.e. May 30, 2019 and November 7, 2019. 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 2019-20, is given below:

Particulars	Number
Pending at the beginning of the year under review	-
Received during the year under review	2
Resolved during the year under review	2
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 Listing Regulations.

The composition of the Committee is given in Point No. 9 of this Report. During the year under review, Dr. Amrita Patel retired as a member of the Nomination & Remuneration Committee on March 31, 2020 and Ms. Bhawana Mishra, Independent Director was appointed as a member and Mr. Nakul Toshniwal, member was re-designated as Chairman of the Committee effective April 1, 2020.

Report on Corporate Governance (Contd.)

Meeting Details:

The Nomination and Remuneration Committee met two times during the year under review i.e. May 30, 2019 and January 23, 2020. The minutes of the Nomination and Remuneration Committee Meetings were noted at the Board Meetings.

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.

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 31.03.2020 was as under:

(₹ in Million)

Sr. No.	Particulars	Amount
1.	Gross Salary	8.48
2.	Perquisites	0.04
3.	Commission	27.73
4.	Special Incentive	4.51
5.	Retirement benefits	1.51
	Total	**42.27**

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 or Committees thereof which has been disclosed

Report on Corporate Governance (Contd.)

below. Apart from the said payment, there are no pecuniary relationships or transactions of the non-executive directors with the Company.

Details of Remuneration paid/ payable to Directors for the year ended March 31, 2020 are as follows:

(₹ in Million)

Director	Sitting Fees (₹)
Dr. S. Sivaram	1.03
Dr. Amrita Patel	0.70
Mr. Nakul Toshniwal	1.02
Mr. Ashok Patel	0.75
Mr. Khurshed Thanawalla	0.40

Non-Executive Directors on the Board of the Company were paid sitting fees for the financial year 2019-20 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 and

c) ₹ 25,000 as sitting fees for each meeting of the Stakeholders Relationship Committee and Corporate Social Responsibility Committee of Directors.

Independent 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.

Criteria of making payments to non-executive directors alternatively, this may be disseminated on the listed entity's website and reference drawn thereto in the annual report.

D. Corporate Social Responsibility Committee:

The Board in compliance with the requirements of Section 135 of the Companies Act, 2013 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. During the year under review, Dr. Amrita Patel retired as a member of the CSR Committee on March 31, 2020 and Ms. Bhawana Mishra, Independent Director has been appointed as a member and Mr. Nakul Toshniwal, member has been re-designated as Chairman of the Committee effective April 1, 2020.

Meeting Details:

The CSR Committee met on two occasions viz. May 30, 2019 and November 7, 2019. 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:

In order to comply with the requirements of Regulation 21 of the SEBI Listing Regulations, the Board of Directors of the Company have constituted a Risk Management Committee effective April 1, 2020.

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.

Role of Risk Management Committee:

1) To review and recommend changes to the Risk Management Policy and / or associated frameworks, processes and practices of the Company;

2) To discuss with senior management effective risk management and provide oversight as may be needed;

3) To ensure it is apprised of the most significant risks including cyber security along with the action management is taking and how the management is ensuring effective risk management;

4) To review risk disclosure statements in any public documents or disclosures;

5) To co-ordinate its activities with the Audit Committee in instances where there is any overlapping with the scope of Audit Committee. For example, internal or external audit issue relating to risk management policy or practice;

6) To suggest risk mitigation measures from time to time;

7) To perform other activities related to this 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 Companies Act 2013, Rules framed there under and Regulation 25(3) of the Listing Regulations, a separate meeting of Independent Directors was held on May 30, 2019 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/FamiliarizationProgramme2019_20.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.

Report on Corporate Governance (Contd.)

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
2016-17	54th	September 27, 2017	12 noon	Sardar Vallabhbhai Patel and Veer Vithalbhai Patel Memorial, Anand - Sojitra Road, Karamsad - 388 325, Gujarat	2
2017-18	55th	August 9, 2018	12 noon		2
2018-19	56th	August 14, 2019	12 noon		1

All resolutions, including the special resolutions at the Annual General Meeting held on September 27, 2017, 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.

Details of Special Resolutions passed at each of the AGM:

- 2016-17 for Reappointment of Statutory Auditors and Amendment in Articles of Association.
- 2017-18 for 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.

During the year under review, Postal Ballot Notice containing Resolutions together with the Explanatory Statement was sent to all the shareholders on Wednesday, February 19, 2020 and the last date for receipt of duly completed postal ballot forms from the shareholders was on or before 5.00 P.M. of Friday, March 20, 2020. Scrutinizer submitted his report dated March 21, 2020 and on the basis of the report of the Scrutinizer on voting done through postal ballot forms as well as through e-voting by the members, the following resolutions as set out in the Postal ballot notice dated February 5, 2020 were duly passed by the Shareholders of the Company with requisite majority:

Resolution No. 1 as a Special Resolution for alteration of Articles of Association of the Company;

Resolution No. 2 as an Ordinary Resolution for appointment of Ms. Bhawana Mishra (DIN: 06741655) as an Independent Director of the Company for a term of five consecutive years w.e.f April 1, 2020 up to and including March 31, 2025, and whose office shall not be liable to retire by rotation.;

Resolution No. 3 as an Ordinary Resolution for appointment of Mr. Vivek Bhatia (DIN: 08166667) as an Independent Director of the Company for a term of five consecutive years w.e.f April 1, 2020 up to and including March 31, 2025, and whose office shall not be liable to retire by rotation.

Resolution No. 4 as an Ordinary Resolution for appointment of Mr. Harsh Gupta (DIN: 2434051) as a Non-Executive Director of the Company and representative of Pfaudler Inc., form April 1, 2020 whose office shall be liable to retirement by rotation.

No Extraordinary General Meeting of Company was held during the financial year 2019-20.

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' (Mumbai and Ahmedabad) and 'Naya Padkar' (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 available.

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.

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 designated the following email ID exclusively for investor services: investorservices@gmmpfaudler.com

18. OTHER DISCLOSURES:

i) Whistle Blower Policy:

The Company has established vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of conduct or ethical policy.

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/WhistleBlowerPolicy.pdf

The Company has provided opportunities to encourage employees to become whistle blowers. It has also ensured a mechanism within the same framework to protect them from any kind of harm. It is hereby affirmed that no personnel has been denied access to the Audit Committee.

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 a show cause notice no. SEBI/HO/E&AO/VV/OW/2962/1/2018 dated January 30, 2018 on 5/02/2018 from SEBI addressed to the Company, Its holding Company Pfaudler Inc. and erstwhile Ultimate Holding Company National Oilwell Varco., Inc. for delay in compliance of minimum public shareholding for the period from May 21, 2014 to December 16, 2014.

The Company applied for consent jointly with Pfaudler Inc. and settlement fees of ₹ 6,97,661/- (Rupees Six Lakh Ninety Seven Thousand and Six Hundred and Sixty One Only) was agreed by SEBI and the same was paid vide letter dated March 15, 2019. SEBI

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issued an order dated March 20, 2019 disposing the aforesaid adjudication proceedings initiated against GMM Pfaudler Limited and Pfaudler Inc. respectively and case is closed.

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. Half-yearly declaration of financial performance to each household of shareholders: Not complied

c. Modified opinion(s) in Audit Report: Complied as there are no modified opinion in Audit Report

d. Separate posts of Chairman & CEO: Complied

e. 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. (K) of Management Discussion & Analysis of this report.

vi) 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:

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.

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:

Regulation 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	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
46(2)(b)	Website	Yes

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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 amendments effective from April 1, 2019.

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:

57th Annual General Meeting of the Company will be held on August 27, 2020 at 12.00 noon by Video-conference / other Audio Visual Means.

b) Date of Book Closure: Friday, August 21, 2020 to Thursday, August 27, 2020 (Both days inclusive)

c) Dividend Payment Date: On or before September 25, 2020

d) Financial year of the Company: April to March

e) Tentative Calendar for the financial year: April 2020 to March 2021

- Quarter ended June 30, 2020	:	4th week of July, 2020
- Quarter ended September 30, 2020	:	1st week of November, 2020
- Quarter ended December 31, 2020	:	4th week of January, 2020
- Quarter ended March 31, 2021	:	2nd week of May, 2021
- Annual General Meeting for the year ended March 31, 2021	:	2nd week of August, 2021

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 2020-21 have been paid.

g) BSE Stock 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 RTA s) shall be 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.

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k) Shareholding Pattern as on March 31, 2020:

Category	No. of shares	Percent
Foreign Promoters - Pfaudler Inc.	7,372,475	50.44
Indian Promoters Group	3,590,650	24.56
NRI/OCB	672,760	4.60
Financial Institution, Nationalized Bank, Insurance Companies, Mutual Funds, FPI's	349,852	2.39
Domestic Companies, Clearing Members, Trusts, NBFC's	47,569	0.33
IEPF	48,426	0.33
Individuals	2,535,768	17.35
Total	**14,617,500**	**100.00**

l) Distribution of Shareholding as on March 31, 2020:

Sr. No.	Slab of shareholding		Shareholders		Shares	
	No. of Equity shares held		Nos.	%	Share Amt	%
	From	To				
1.	1	1000	23,222	96.3808	2,107,692	7.2095
2.	1000	2000	458	1.9009	705,406	2.4129
3.	2001	4000	228	0.9463	665,790	2.2774
4.	4001	6000	68	0.2822	333,468	1.1406
5.	6001	8000	27	0.1121	191,308	0.6544
6.	8001	10000	18	0.0747	165,316	0.5655
7.	10001	20000	29	0.1204	405,536	1.3872
8.	20001	Above	44	0.1826	24,660,484	84.3526
		Total				

m) Stock Market Price for the year:

BSE Limited

Month	Market Price (₹)		BSE – Sensex	
	High	Low	High	Low
April, 2019	1,248.00	1,140.00	36,701.03	35,375.51
May, 2019	1,425.00	1,100.00	37,172.18	35,287.16
June, 2019	1,483.00	1,231.00	38,748.54	35,926.94
July, 2019	1,392.00	1,156.30	39,487.45	38,460.25
August, 2019	1,522.45	1,150.00	40,124.96	36,956.10
September, 2019	1,557.00	1,387.70	40,312.07	38,870.96
October, 2019	1,559.70	1,402.05	40,392.22	37,415.83
November, 2019	1,769.95	1,357.50	41,163.79	40,014.23
December, 2019	1,910.00	1,603.00	41,809.96	40,135.37
January, 2020	2,635.00	1,818.00	42,273.87	40,476.55
February, 2020	3,461.45	2,411.10	41,709.30	38,219.97
March, 2020	3,148.00	1,826.00	39,083.17	25,638.90

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NSE Limited

Month	Market Price (₹)		NSE – Nifty	
	High	Low	High	Low
April, 2019	1,245.00	1,151.70	11,856.15	11,549.10
May, 2019	1,397.00	1,110.00	12,041.15	11,108.30
June, 2019	1,490.00	1,228.30	12,103.05	11,625.10
July, 2019	1,399.80	1,165.00	11,981.75	10,999.40
August, 2019	1,525.00	1,160.00	11,181.45	10,637.15
September, 2019	1,558.00	1,384.05	11,694.85	10,670.25
October, 2019	1,526.00	1,316.20	11,945.00	11,090.15
November, 2019	1,770.00	1,352.65	12,158.80	11,802.65
December, 2019	1,908.00	1,601.00	12,293.90	11,832.30
January, 2020	2,635.00	1,815.05	12,389.05	11,929.60
February, 2020	3,463.00	2,412.00	12,246.70	11,175.05
March, 2020	3,200.00	1,817.95	11,433.00	7,511.10

n) Dematerialization:

As on March 31, 2020, 98.23% of the Company's total shares representing 14,359,360 shares are held in dematerialized form and the balance 258,140 representing 1.77% shares are in Physical Form.

o) 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.

p) Plant Location:

Manufacturing Plant of the Company is situated at

- Vithal Udyognagar, Anand – Sojitra Road, Karamsad – 388 325, Gujarat and
- Gat no. 1559, Shelar Wasti, Dehu-Alandi Road, Chikhali, Pune – 411 026, Maharashtra

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 LLP, 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 for Directors and Senior Management Executives of GMM Pfaudler Limited as applicable to them for the year ended March 31, 2020.

For GMM Pfaudler Limited

Tarak Patel
Managing Director
DIN: 00166183

Place: Lonavala
Date : May 16, 2020

CEO / CFO CERTIFICATE COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF THE SEBI LISTING REGULATIONS:

We, Tarak Patel, Managing Director, and Jugal Sahu, CFO certifiy to the Board that:

a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2020 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.

For GMM Pfaudler Limited

Tarak Patel
Managing Director
DIN: 00166183

Place: Lonavala
Date: May 16, 2020

Jugal Sahu
Chief Financial Officer

Place: Mumbai

The Members,

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 August 19, 2019.
2. We, Deloitte Haskins & Sells LLP, 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, 2020, 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, 2020.
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 LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date : May 23, 2020

Business Responsibility Report

GMM Pfaudler 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.

As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth and believes in the is the philosophy of giving back to the society. In keeping with the Company's commitment to responsibility and accountability towards all its stakeholders and the Company's efforts to conduct business with responsibility, the Company is pleased to present its Business Responsibility Report for the financial year 2019-20 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, 2019 up to March 31, 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of other Special Purpose Machinery 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 Number of international locations Number of national locations	 GMM Pfaudler has its business operations -manufacturing and sales at Switzerland through its subsidiary Mavag AG GMM Pfaudler has its regional sales and service offices at Ahmedabad, Ankleshwar, Chennai, Hyderabad, Mumbai, New Delhi, Pune, Roha, Vadodara and Visakhapatnam. Manufacturing Plant of the Company is situated at: • Vithal Udyognagar, Anand – Sojitra Road, Karamsad – 388 325, Gujarat and • Gat no. 1559, Shelar Wasti, Dehu-Alandi Road, Chikhali, Pune – 411 026, Maharashtra
10.	Markets served by the Company - Local / State / National / International	The Company serves both national and international markets

Business Responsibility Report (Contd.)

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital of the Company	₹ 29.23 million
2.	Total turnover as on March 31, 2020	₹ 5,163.55 million
3.	Total profit after tax as on March 31, 2020	₹ 621.23 million
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	The Company's total spending on CSR for the financial year 2018-19 is ₹ 9.44 million which is 1.52% of the PAT
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 two subsidiaries as on March 31, 2020
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 both its subsidiaries who participate in its group –wide BR initiatives. Name and location of subsidiaries: Mavag AG - Switzerland GMM Mavag AG - Switzerland
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%]	Few initiatives were undertaken by the Company's supplier/s, as per common practice, however, there is nothing significant to report. Less than 30%.

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

Business Responsibility Report (Contd.)

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...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y

About business responsibility policy:

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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy? [1]	Y	Y	Y	Y	Y	Y	Y	Y	Y
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	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement its policy / policies? [1]	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies? [2]	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? [3]	N	N	N	N	N	N	N	N	N

Notes

1. All the policies have a policy owner and the respective policy owners are responsible for implementation of the policy.
2. Any grievance relating to any of the policy can be escalated to the policy owner/Compliance Officer, MD & Ombudsperson.
3. This year being the first year of Business Responsibility Policy, an audit will be conducted during the current financial year i.e. 2020-21.

Business Responsibility Report (Contd.)

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 BR initiatives are driven by the business teams along with the support functions such as CSR Committee. The Board of Directors shall assess the BR performance of the Company on an annual basis.
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing the report? How frequently it is published?	No, the first Business Sustainability Report is being published in the Annual Report for the financial year 2019-20. The same shall be published on yearly basis. The link for sustainability report is http://www.gmmpfaudler.com/investor-relations-business-responsibility-report.php

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 adhere to 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 the employees of the company 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. Compliance with the statutory requirements has always been one of the focus areas. 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 financial Year 2019-20 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 2 investor complaints and there were no outstanding complaints as on March 31, 2020.

Business Responsibility Report (Contd.)

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. b. Other furnaces for heat treatment have been converted from HDO to NG c. Water used for hydrotesting of equipment, whose requirement is in several kiloliters per day, is recycled in large storage tanks. ***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. **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. 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 GIDC. This reduces the carbon footprint of material delivered to the Company. The Company 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.
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 Company's makes capital equipment which does not lend itself to recycling. However, the Company offers reconditioning service to prolong the life of the equipment. All waste that have no commercial value is disposed of through agencies authorized by the State and Central Pollution Control Boards. Steel scrap is sold to dealers who in turn process such scarp for steel manufacture. Water used for hydrotesting 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.

Business Responsibility Report (Contd.)

Principle 3: Employee Wellbeing

Businesses should promote the wellbeing of all employees

1.	Total number of permanent employees as on March 31, 2020.	536
2.	Total number of employees on temporary/ contractual/ casual basis as on March 31, 2020	465
3.	Total number of permanent women employees as on March 31, 2020	31
4.	Total number of permanent employees with disabilities as on March 31, 2020	5
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 47.6% 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 — 20 Casual / temporary / contractual employees — 75 Employees with disabilities — 20

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 its stakeholders as a part of its stakeholder engagement process.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	Yes - Company has identified certain groups in and around our factory at Karamasad, Gujarat which are a part of our ecosystem. The Company, with the help of reputed Corporate Social Responsibility ('CSR') implementation agencies conducts CSR activities for these disadvantaged, vulnerable & marginalized stakeholders.
3.	Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?	The Company's initiatives in thrust areas like healthcare and skill development are targeted to bring meaningful difference in the lives of its associated stakeholders. Project Sparsh : For Promoting Rural Health Care – Implementing Partner Charutar Arogya Mandal SPARSH (Shree Krishna Hospital Programme for Advancement of Rural and Social Health) aims at connecting the last person in villages to appropriate levels of healthcare; village health workers (VHWs) in their own villages, health centres in towns close by and a tertiary care centre for critical cases. The programme, currently being implemented in 150 villages of Anand and Kheda districts, covering a population of 4.5 lakhs, is managed by Charutar Arogya Mandal (CAM). The programme has been able to provide health care to even the most vulnerable and underprivileged section of the rural areas and has helped in increasing treatment compliance and reducing cost of treatment at household levels to a considerable extent.

Business Responsibility Report (Contd.)

		Promoting Education & Skill Development – Implementing Partner J V Patel ITI To improve the quality of education imparted to the students, and thus enhance their employment prospects, GMM Pfaudler has partnered with J V Patel ITI to modernize its facilities in a phased manner. As a part of the first phase, J V Patel ITI upgraded its 'Welding' infrastructure, by completely renovating the welding workshop, its embedded theory classroom and added latest equipment. In the second phase, J V Patel ITI upgraded its 'Fitter', 'Electrical' and 'Sheet Metal' trades and its embedded theory classroom and added new equipment. The upgraded infrastructure along with the latest technology will help students gain better knowledge, experience, and enhance their employment capability. 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?	The GMM Pfaudler's Code of Conduct & 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?	There were no complaints received during the year.

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 in June 2019 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 create positive impact on the environment. 1. The Company uses wind-mills and solar energy as alternative sources of energy, 2. 20% water saving/day by the use of cured water for gardening from the Sewage Treated Plant. 3. The Company uses recycled water for Hydro testing of equipment. Also, the Company supports various Environmental Sustainability initiatives through its CSR implementing Partner – ReefWatch Marine Conservation. The details are available on the web link is http://www.gmmpfaudler.com/csr.php
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. Health, Safety and Environment team organizes multiple workshops for various functions.

Business Responsibility Report (Contd.)

4.	Project(s) related to Clean Development Mechanism	Although the Company has projects in solar power, wind power and use of natural gas furnaces, the Company has not undertaken any project specifically related to 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 in June 2019 for its factory at Karamsad, Gujarat which. 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 MWa by use of natural gas furnace instead of electric power. The Company is a member of GPCB (Gujarat Pollution Control Board) and hands over its waste to disposal committee of GPCB in accordance with the GPCB guidelines.
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 permissible limits given by Gujarat Pollution Control Board 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.	Does the Company represent in any trade and chambers/ 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)	Whenever any consultation paper is released by any authority and / or policy / guideline related to trade, commerce, safety, productivity, environment is issued by any State or local authorities, the Company provides 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, increase job creation, benefit the daily lives of people and strengthen the country's economy. The Company works to ensure that its public policy positions complement or advance its sustainability and citizenship objectives.

Business Responsibility Report (Contd.)

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 based on the needs of the community. The selected interventions are sustainable, innovative and replicable. In fact, many of the projects selected are complimentary to overall national agenda like 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?	Yes, the impact assessment is done by the implementing partners. Based on these impact assessment reports, Company decides upon appropriate intervention to be undertaken.
4.	What is the Company's direct contribution to community development projects (Amount in? and the details of the projects undertaken)?	The Company has spent an amount of ₹ 9.44 million in various CSR activities during year 2019-20. The details of the amount incurred, and areas covered are given in the Report on Corporate Social Responsibility 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 Company's social development programmes are implemented based on the need within the community. Its programmes on education, skill development, disaster relief and more have ensured involvement and sustained participation from the community members. They are involved for 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.

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 customers to educate and appraise consumers and to understand their concerns. All the concerns are taken up and resolved immediately to the satisfaction of the consumer.
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)	Not applicable. Majority of your Company's products are customized and hence, it is not applicable.
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 carried out by the Company every year to gauge consumer sentiments and to take appropriate measures to increase customer satisfaction.

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 31st March 2020, 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 31 March 2020, 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

Key Audit Matter Description

The Company generates its revenue from long-term customer specific contracts where performance obligations are satisfied over a period of time. These contracts are accounted under the percentage of completion method (POC).

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 accounting standards have been met, and estimates, related to future costs, the final outcome of the contract and the stage of completion.

Principle audit procedure performed

As part of our audit we obtained an understanding of the methodology applied, the internal processes and the key controls used to determine the estimates, related to future costs, final outcome of the contract and the stage of completion. We evaluated the processes and IT systems used to record actual costs incurred, tested the manual controls and automated controls implemented in the IT systems.

As part of our work, we focused on management's judgement in applying the methodology and the estimates made to determine the amount of revenue to be recorded in their project calculations.

We obtained and reviewed contract list and calculation and tested the calculation of stage of completion including the cost incurred and recorded against the contract for occurrence and accuracy, assessing the basis for determining the costs to complete and total contract cost and then re performing the percentage of completion calculation.

We challenged management in respect of the reasonableness of judgements made regarding the cost to complete contract and the timing of recognition of change orders.

We also assessed whether management's policies and processes for making these estimates continue to be appropriate and are applied consistently over time and to contracts of a similar nature.

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.

Independent Auditor's Report (Contd.)

- 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

Independent Auditor's Report (Contd.)

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) e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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. 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 LLP**
Chartered Accountants
(Firm's Registration No.117366W/ W 100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: May 23, 2020

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, 2020 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, 2020, 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 LLP**
Chartered Accountants
(Firm's Registration No.117366W/ W 100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: May 23, 2020

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.

(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, 2020 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, 2020 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, 2018-19	14.84	14.84
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, 2020 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 issued any debentures and has not taken any loans from the financial institutions and government.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(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 persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) (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 LLP**
Chartered Accountants
(Firm's Registration No.117366W/ W 100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: May 23, 2020

GMM Pfaudler
Defining the standard

Standalone Balance Sheet

as at March 31, 2020

₹ in Million

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipment	6	811.83	575.37
(b) Right of Use Assets	7	220.04	-
(c) Capital work-in-progress		15.99	49.54
(d) Goodwill	8	59.32	-
(e) Other Intangible Assets	8	181.23	51.76
(f) Intangible assets under development		0.44	0.40
(g) Financial Assets			
(i) Investments	9	218.60	218.61
(ii) Others	11	27.78	19.87
(h) Non-current Tax Assets (Net)	12	5.77	-
(i) Other non-current assets	13	6.57	35.71
Sub-total		**1,547.57**	**951.26**
(2) Current Assets			
(a) Inventories	14	1,109.75	1,030.46
(b) Financial Assets			
(i) Investments	9	356.63	471.98
(ii) Trade Receivables	15	594.68	488.67
(iii) Cash & Cash Equivalents	16	286.77	284.81
(iv) Bank balances other than (iii) above	16	2.75	3.83
(v) Loans	10	0.97	0.66
(vi) Others	11	290.40	160.61
(c) Other current assets	13	120.10	58.51
Sub-total		**2,762.05**	**2,499.53**
Total Assets		**4,309.62**	**3,450.79**
EQUITY & LIABILITIES			
Equity			
(a) Equity Share Capital	17	29.23	29.23
(b) Other Equity	18	2,681.57	2,147.93
Sub-total		**2,710.80**	**2,177.16**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	19	176.59	-
(b) Deferred tax liabilities (Net)	20	49.82	53.40
Sub-total		**226.41**	**53.40**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowing	21	112.26	-
(ii) Lease Liabilities	19	55.40	-
(iii) Trade payables due to			
- Micro & Small Enterprise	22	20.95	33.57
- Other than Micro & Small Enterprise	22	556.86	500.27
(iv) Others	23	87.63	93.59
(b) Provisions	24	40.80	23.49
(c) Current Tax Liabilities (Net)	12	-	23.02
(d) Other current liabilities	25	498.51	546.29
Sub-total		**1,372.41**	**1,220.23**
Total Equity & Liabilities		**4,309.62**	**3,450.79**

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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner
Membership No. 106189
Ahmedabad, May 23, 2020

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900
Pune, May 23, 2020

Tarak Patel
Managing Director
DIN: 00166183
Lonavala, May 23, 2020

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 23, 2020

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 23, 2020

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

₹ in Million

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Income:			
Revenue from Operations	26	5,163.55	4,187.02
Other Income	27	61.17	72.35
Total Income		**5,224.72**	**4,259.37**
Expenses:			
Cost of materials consumed	28	2,386.38	2,120.37
Changes in inventories of finished goods and work in progress	29	(56.89)	(92.37)
Employee benefits expense	30	551.06	422.14
Finance Cost	31	34.88	11.68
Depreciation and amortisation expense	6&7&8	200.14	103.65
Labour Charges		337.18	300.94
Other Expenses	32	951.61	780.23
Total Expense		**4,404.36**	**3,646.64**
Profit before tax		**820.36**	**612.73**
Tax expenses:			
Current tax		202.23	202.27
Deferred tax		(3.10)	4.11
		199.13	**206.38**
Profit for the year		**621.23**	**406.35**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Actuarial Gain / (loss) on Gratuity and Pension Obligations		(6.90)	(0.90)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Other Comprehensive Income (i-ii)		**(6.90)**	**(0.90)**
Total Comprehensive Income for the year		**614.33**	**405.45**
Earnings Per Equity Share:			
Basic		42.50	27.80
Diluted		42.50	27.80
Significant Accounting Policies	4 & 5		

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner
Membership No. 106189
Ahmedabad, May 23, 2020

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900
Pune, May 23, 2020

Tarak Patel
Managing Director
DIN: 00166183
Lonavala, May 23, 2020

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 23, 2020

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 23, 2020

GMM Pfaudler
Defining the standard

Standalone Statement of Cash Flow

for the year ended March 31, 2020

₹ in Million

		Year ended March 31, 2020	Year ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**820.36**	**612.73**
Adjustments for			
Depreciation and amortisation expenses		200.14	103.65
Net (gain) / loss on sale & discarding of fixed assets		2.47	(3.83)
Net (gain) / loss on Non Current Investments designated as Fair Value Through Profit or Loss		0.01	(10.06)
Net (gain) / loss on sale of Non-Current Investments		-	(2.97)
Net (gain) / loss on Current Investments designated as Fair Value Through Profit or Loss		(12.12)	(14.91)
Net (gain) / loss on sale of Current Investments		7.97	2.12
Interest income		(1.65)	(2.79)
Interest and financial charges		34.88	11.68
Dividend Income		(0.03)	(0.10)
Provision for doubtful debts, liquidated damages and advances		13.23	12.69
Provision for warranty		4.85	2.31
Unrealised foreign exchange fluctuation loss/(gain)		(2.70)	1.26
Actuarial (Gain) / loss on Gratuity reclassified in OCI		(6.90)	(0.90)
Operating profit before working capital changes		**1,060.51**	**710.88**
Adjustments for :			
(Increase)/ Decrease in Inventories		(79.29)	(242.56)
(Increase)/ Decrease in Trade receivable, loans and other financial & Non financial assets		(213.39)	(168.18)
Increase/ (Decrease) in Trade payables, provisions and other financial & Non financial liabilities		(36.96)	247.94
Cash generated from operations		730.87	548.08
Direct Taxes paid		(231.03)	(190.00)
Net cash from operating activities	A	**499.84**	**358.08**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment, including intangible assets		(307.37)	(152.47)
Proceeds from sale of Property, Plant and Equipment		2.32	8.58
Payment towards acquisition of business (Refer Note 43)		(272.27)	-
Purchase of current investments		-	(133.01)
Proceeds from sale of current investments		119.50	182.91
Proceeds from sale of non-current investments		-	10.99
Fixed deposits placed with banks		-	(5.34)
Proceeds from Fixed deposits		4.64	-
Interest received		1.65	2.79
Dividend received		0.03	0.10
Net cash used in investing activities	B	**(451.50)**	**(85.45)**

Standalone Statement of Cash Flow for the year ended March 31, 2020 (Contd.)

₹ in Million

		Year ended March 31, 2020	Year ended March 31, 2019
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from short term borrowings		112.26	-
Payment of Lease Liabilities		(65.14)	-
Interest paid		(14.14)	(11.68)
Dividend paid		(65.84)	(71.86)
Tax on distributed profits		(13.52)	(14.72)
Net cash used in financing activities	C	**(46.38)**	**(98.26)**
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	A+B+C	**1.96**	**174.37**
Cash and Cash equivalents at the beginning of the year		284.81	110.44
Cash and Cash equivalents at the end of the year		**286.77**	**284.81**
COMPONENTS OF CASH AND BANK BALANCES			
Cash and Cash Equivalent			
Balances with banks			
- In current accounts		51.60	109.46
- In deposit accounts (Less than three months maturity)		234.60	175.00
Cash on hand		0.57	0.35
Total		**286.77**	**284.81**
Other Bank Balances			
- In unpaid dividend accounts - Earmarked Balances		2.52	2.46
- Margin money deposits (lodged against bank guarantee and letter of credit)		0.23	1.37
Cash and Bank Balances at the end of the year		289.52	288.64

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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner
Membership No. 106189
Ahmedabad, May 23, 2020

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900
Pune, May 23, 2020

Tarak Patel
Managing Director
DIN: 00166183
Lonavala, May 23, 2020

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 23, 2020

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 23, 2020

GMM Pfaudler
Defining the standard

Standalone Statement of changes in equity

for the year ended March 31, 2020

(I)	Equity Share Capital	Amount (₹ in Millions)
	Balance at April 1, 2018	**29.23**
	Changes during the year	-
	Balance at March 31, 2019	**29.23**
	Balance at April 1, 2019	**29.23**
	Changes during the year	-
	Balance at March 31, 2020	**29.23**

(II) i) Other Equity :

₹ in Million

	Capital Reserve	Securities Premium	General Reserve	Cash Subsidy Reserve	Retained Earnings	Total
Balance at April 1, 2018	**0.02**	**149.28**	**211.27**	**0.69**	**1,467.56**	**1,828.82**
Profit for the year	-	-	-	-	406.35	406.35
Other comprehensive income for the year, net of income tax	-	-	-	-	(0.90)	(0.90)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**405.45**	**405.45**
Payment of dividends	-	-	-	-	(71.62)	(71.62)
Taxes on dividend	-	-	-	-	(14.72)	(14.72)
Balance at March 31, 2019	**0.02**	**149.28**	**211.27**	**0.69**	**1,786.67**	**2,147.93**
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**

ii) A description of the purposes of each reserve within equity is disclosed in the Notes.

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner
Membership No. 106189
Ahmedabad, May 23, 2020

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900
Pune, May 23, 2020

Tarak Patel
Managing Director
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Lonavala, May 23, 2020

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 23, 2020

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 23, 2020

Notes

to Standalone Financial Statements for the year ended March 31, 2020

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. 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 PREPERATION 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 millions.

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. Impairment of property, plant and equipment as well as intangible assets (refer note no. 4.e)
3. Impairment of investments in subsidiaries (refer note no. 4.h1)
4. Provision for old and obsolete inventory (refer note no. 4.g)
5. Provision for Warranty Expense (refer note no. 4.j)
6. Employee benefits (refer note no. 4.k)
7. Expense Provisions & contingent liabilities (refer note no. 4.n)
8. Provision for Doubtful Trade Receivables (refer note no. 4.h7)
9. Valuation of deferred tax assets (refer note no. 4.o)
10. Impairment of Goodwill (refer note no. 4.c)
11. Leases (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

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

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

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

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 less provision for impairment, if any.

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) 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.

h5) 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.

h6) 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.

h7) 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.

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

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 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.

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

m) Leases

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). (Refer Note 19).

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

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

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) Segment Reporting:

The Company 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 accounting policies adopted for segment reporting are in line with the accounting policies of the company. 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. Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

q) 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.

r) 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.

s) 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.

t) 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.

u) New and amended standards adopted by the Company:

The Company has applied the following standards and amendments for the first time for annual reporting period commencing from April 01, 2019.

Ind AS 116 - Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. The adoption of the standard does not have any material impact to the financial statements of the Company.

Amendment to Ind AS 12, Income Taxes

Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment do not have any material impact to the financial statements of the company.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019. The amendment do not have any material impact to the financial statements of the company.

Amendment to Ind AS 19 'Employee Benefits':

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The interpretation does not have any impact on the Company's financial statements.

5 CHANGES IN ACCOUNTING STANDARDS AND OTHER RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

6 PROPERTY, PLANT & EQUIPMENT

₹ 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
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**

₹ in Million

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As on April 1, 2018	Additions	Deductions	As on March 31, 2019	Upto April 1, 2018	For the Year	On Deductions	Upto March 31, 2019	As on March 31, 2019
Freehold Land	2.32	-	-	2.32	-	-	-	-	2.32
Leasehold Improvement	19.90	8.41	-	28.31	2.78	2.99	-	5.77	22.54
Buildings	220.00	30.57	-	250.57	14.59	8.97	-	23.56	227.01
Plant & machineries	349.40	27.68	7.40	369.68	88.06	56.71	7.35	137.42	232.26
Office Equipment	29.91	25.25	2.91	52.25	11.97	7.83	2.82	16.98	35.27
Furniture & Fixtures	11.60	1.04	3.48	9.16	4.51	1.94	3.48	2.97	6.19
Vehicles	56.27	23.60	21.95	57.92	14.48	11.01	17.35	8.14	49.78
Total	**689.40**	**116.55**	**35.74**	**770.21**	**136.39**	**89.45**	**31.00**	**194.84**	**575.37**

7 RIGHT OF USE ASSETS

₹ 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
Land and Buildings (Refer Note 19)	-	274.52	-	274.52	-	54.48	-	54.48	220.04
Total	**-**	**274.52**	**-**	**274.52**	**-**	**54.48**	**-**	**54.48**	**220.04**

8 INTANGIBLE ASSETS

₹ in Million

CLASS OF ASSETS	GROSS BLOCK				AMORTISATION				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 (Refer Note: 43)	-	4.27	-	4.27	-	3.98	-	3.98	0.29
Process Knowhow (Refer Note: 43)	-	120.67	-	120.67	-	11.26	-	11.26	109.41
Non- Compete agreement (Refer Note:43)	-	37.59	-	37.59	-	11.69	-	11.69	25.90
Goodwill (Refer Note: 43)	-	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 to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

₹ in Million

CLASS OF ASSETS	GROSS BLOCK				AMORTISATION				NET BLOCK
	As on April 1, 2018	Additions	Deductions	As on March 31, 2019	Upto April 1, 2018	For the Year	On Deductions	Upto March 31, 2019	As on March 31, 2019
Computer Software	27.60	53.80	-	81.40	15.44	14.20	-	29.64	51.76
Technical Knowhow	1.03	-	-	1.03	1.03	-	-	1.03	-
Total	**28.63**	**53.80**	**-**	**82.43**	**16.47**	**14.20**	**-**	**30.67**	**51.76**

Notes:

1. There are no adjustment to Property, Plant & Equipment and Intangible assets on account of borrowing costs and exchange differences.

Depreciation and amortisation expense:

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of Property, Plant and Equipment	106.93	89.45
Amortisation of Intangible Assets	38.73	14.20
Depreciation on Right to Use Assets	54.48	-
Total depreciation and amortisation Expense	**200.14**	**103.65**

9 INVESTMENTS

(i) Non Current

₹ in Million

	Face value	Qty	Amount	Qty	Amount
		As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
Equity Shares (unquoted)					
Subsidiary Companies (at cost)					
GMM Mavag AG (Face Value CHF 1,000)	1000	5,000	213.90	5,000	213.90
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 Finance Corp. Bonds	1000	4,350	4.69	4,350	4.70
Total Investments			218.60		218.61
Aggregate of quoted investments			4.69		4.70
Aggregate of unquoted investments			213.91		213.91

(* Unit 100 and Value INR 385/-)

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

(ii) Current

₹ in Million

	Face value	No. of Units As at March 31, 2020	Amount As at March 31, 2020	No. of Units As at March 31, 2019	Amount As at March 31, 2019
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	50,47,117	70.88	50,47,117	68.99
ICICI Prudential Short term - Growth Option	10	13,69,318	57.74	13,69,318	52.88
Tata Short Term Bond Fund Regular Plan - Growth	10	13,58,581	48.06	13,58,581	44.11
Aditya Birla Sun Life Short Term Opportunities fund Regular Plan - Growth	10	30,97,541	102.76	30,97,541	95.71
Reliance Strategic Debt Fund- Growth Plan	10	-	-	57,77,592	84.95
L&T Credit Risk Fund - Growth	10	25,07,165	54.24	25,07,165	52.85
IDFC Money Manager Fund Daily Dividend - (Regular Plan) (formerly known as IDFC Money Manager Fund- Treasury Plan-Daily Dividend - (Regular Plan))	10	-	-	13,40,723	13.54
Aditya Birla Sun Life Money Manager Fund Gr (formerly known as Birla Sun Life Floating Rate Fund STP Growth)	10	76,634	20.63	76,634	19.19
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan (formerly known as Aditya Birla Sun Life Cash Plus)	10	-	-	1,32,962	39.76
Aditya Birla Sun Life Credit Risk Fund - Growth Regular - (Segregated Portfolio 1)	10	50,47,117	2.10	-	-
Nippon India Strategic Debt Fund - Segregated Portfolio 1 - Growth Plan*	10	42,43,461	0.22	-	-
Nippon India Strategic Debt Fund - Segregated Portfolio 2 - Growth Plan*	10	42,43,461	-	-	-
			356.63		**471.98**

* 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, 2020	As at March 31, 2019
Financial assets carried at fair value through profit or loss (FVTPL)		
i) Mandatorily measured at FVTPL (Investment in mutual fund)	356.63	471.98
ii) Designated as at FVTPL (Investment in equity instruments and government securities)	4.70	4.71
	361.33	**476.69**

10 LOANS

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Current (Unecured)		
Loans to employees	0.97	0.66
	0.97	**0.66**

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

11 OTHER FINANCIAL ASSETS

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Non Current		
Security Deposits (including considered doubtful as at 31.03.20 ₹ 0.69 million, as at 31.03.19 ₹ 0.69 million)	28.00	16.59
Less : Provision for doubtful security deposits	0.69	0.69
Margin money deposits with Bank for more than twelve months maturity (lodged against bank guarantee and letter of credit)	0.47	3.97
	27.78	**19.87**
(ii) Current		
Accrued income	1.89	1.74
Unbilled Revenue (Net of Advance from customers)	288.51	158.87
	290.40	**160.61**

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Contracts in Progress at the end of reporting Period		
1. Contract Revenue Recognise as per Percentage of Completion Method	104.80	76.64
2. Contract Cost Incurred up to the reporting date	95.96	41.89
3. Recognised Profit (1-2)	8.84	34.75
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	318.51	213.71
(ii) Amounts due to Customers under construction contracts	-	-
6. Retentions held by customer	-	-
7. Advances received from customers	**30.00**	**54.84**

12 (CURRENT TAX LIABILITIES) /NON-CURRENT TAX ASSETS

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax	535.39	334.75
Advance payment of Tax	541.16	311.73
	5.77	**(23.02)**

13 OTHER ASSETS

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Non Current		
Capital Advances (Unsecured, Considered Good)	3.52	32.66
Balances with indirect tax authorities	3.05	3.05
	6.57	**35.71**
(ii) Current		
Balances With Indirect Tax Authorities	82.43	15.23
Prepaid Expenses	18.98	17.04
Advance to Suppliers (Unsecured, Considered Good)	17.02	23.87
Employee Advances	0.76	0.41
Export Benefit Receivable	0.22	1.22
Others	0.69	0.74
	120.10	**58.51**

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

14 INVENTORIES

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
(Valued at lower of cost and net realisable value)		
Raw materials (including in transit as at 31.03.20 ₹ 5.83 million and as at 31.03.19 ₹ 8.25 million)	462.72	448.72
Work-in-progress	480.72	474.52
Finished goods (including in transit as at 31.03.20 ₹ 18.74 million and as at 31.03.19 ₹ 2.90 million)	118.26	67.57
Stores and spares	48.05	39.65
	1,109.75	**1,030.46**

15 TRADE RECEIVABLES

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered good	673.63	554.39
Trade Receivable which have significant increase in Credit risk	-	-
Trade Receivable - credit impaired	-	-
	673.63	554.39
Less : Allowance for doubtful debts	78.95	65.72
	594.68	**488.67**

Movement in the expected credit loss allowance

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Balance at beginning of the year	65.72	53.03
Add: Provision made during the year	27.34	35.00
Less: Provision used during the year	14.11	22.31
Balance at the end of the year	**78.95**	**65.72**

16 CASH AND BANK BALANCES

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and Cash Equivalents		
Balances with banks		
- In current accounts	51.60	109.46
- In deposit accounts with original maturity less than three months	234.60	175.00
Cash and stamps on hand	0.57	0.35
	286.77	**284.81**
Other Bank Balances		
- Margin money deposits (lodged against bank guarantee and letter of credit)	0.23	1.37
- In unpaid dividend accounts - Earmarked balances	2.52	2.46
	2.75	**3.83**

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

17 EQUITY SHARE CAPITAL

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
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, 2020	As at March 31, 2019
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.

c Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% holding	No. of Shares	% holding
Pfaudler Inc. (Parent Company)	7,372,475	50.44%	7,372,475	50.44%
Millars Machinery Co. Pvt. Limited	1,625,595	11.12%	1,625,595	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.

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

18 OTHER EQUITY

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
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	**1,786.67**	**1,467.56**
Add : Net Profit for the year	614.33	405.45
Less : Appropriations		
Interim Dividend [Dividend Per Share ₹ 3.0, (Previous Year ₹ 3.0)]	43.85	43.85
Final Dividend [Dividend Per Share ₹ 1.5, (Previous Year ₹ 1.9)]	21.93	27.77
Tax on distributed profits	13.52	14.72
Transition Impact of Ind AS 116	1.39	-
Transfer to General Reserve	-	-
Balance at the end of the year	**2,320.31**	**1,786.67**
	2,681.57	**2,147.93**

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 reserves represents Security Premium received at the time of issuance of Equity Shares.

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

19 LEASE LIABILITIES

₹ in Million

	As at March 31, 2020
Non Current	176.59
Current	55.40
	231.99

The Company has adopted Ind AS 116, w.e.f. April 1, 2019 and applied the standard to its leases, using the modified retrospective method. The cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of ₹ 262.44 million and a corresponding lease liability of ₹ 264.31 million has been recognized. The cumulative effect on transition in retained earnings is ₹ 1.87 million (including a deferred tax of ₹ 0.48 million).

(i) Movement in Lease Liabilities

₹ in Million

Particulars	As at March 31, 2020
Opening Balance	-
Add: Addition Made During the year	276.39
Add: Finance cost accrued during the year	20.74
Less: Payment of Lease Liabilities	65.14
Closing Balance	**231.99**

(ii) The contractual maturities of Lease liabilities are as under on undiscounted basis:

₹ in Million

Particulars	As at March 31, 2020
Payable within one year	75.75
Payable later than one year and not later than five years	205.31
Payable after five years	-
(iii) Lease payments recognised for short term leases in Statement of Profit and Loss during the year 2019-20 (Refer Note:32)	**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 the obligations related to lease liabilities as and when they fall due.

20 DEFERRED TAX LIABILITIES

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	(13.93)	(13.72)
Deferred tax liabilities	63.75	67.12
Net Deferred Tax Liability	**49.82**	**53.40**

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

₹ in Million

Particulars	2019-20				2018-19		
	Opening Balance	Charged to / (Reversed from) Statement of P & L	Impact on account of Ind AS 116	Closing Balance	Opening Balance	Charged to / (Reversed from) Statement of P & L	Closing Balance
Deferred tax liabilities / (assets) in relation to:							
Property, Plant and Equipment	49.33	(1.73)	-	47.60	46.92	2.41	49.33
Investments classified as FVTPL	17.79	(1.64)	-	16.15	12.54	5.25	17.79
Provision for Doubtful debt	(13.72)	2.86	-	(10.86)	(10.17)	(3.55)	(13.72)
Lease Liabilities	-	(2.59)	(0.48)	(3.07)	-	-	-
	53.40	**(3.10)**	**(0.48)**	**49.82**	**49.29**	**4.11**	**53.40**

(a) Numerical Reconciliation between average effective tax rate and applicable tax rate

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Profit Before tax from Continuing Operations	**820.36**	**612.73**
Income Tax using the Company's domestic Tax rate #	210.26	214.11
Tax Effect of :		
- Non deductible Expenses	59.83	41.21
- Tax - Exempt income	-	-
- Deduction on account of Expenses allowable in Tax but not claimed in book	(62.95)	(42.66)
- Tax impact on Income charged under Capital Gain / Other Income	-	(5.15)
- Changes in recognised deductible temporary differences	10.66	4.11
- Changes in recognised deductible temporary differences due to change in rate of tax	(14.24)	-
- Tax impact on notional income / expense	(4.43)	(5.24)
Income Tax recognised In Statement of Profit and Loss from Continuing Operations (Effective Tax Rate)	**199.13**	**206.38**

The Tax rate used for Financial Year 2019-20 and 2018-19, in reconciliation above is the corporate tax rate of 25.63% and 34.994% payable by corporate entity in India on taxable profits under the Indian Tax Law.

(b) Income Tax Expense

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax:		
Current Income Tax Charge	202.23	202.27
Deferred Tax		
Deferred Tax Charge for the year	(3.10)	4.11
Total Tax Expense recognised in statement of profit and loss	**199.13**	**206.38**

21 BORROWINGS

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured		
Working Capital Loans	112.26	-
(Refer Note below)		
	112.26	**-**

Note : Working Capital Loans include Cash Credit from Banks and Working Capital Demand Loans that are repayable on demand and carries interest rate of 8.5% p.a

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

22 TRADE PAYABLES

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
- Dues to Micro, Small and Medium Enterprises (Refer Note 42)	20.95	33.57
- Dues to other Creditors	556.86	500.27
	577.81	**533.84**

23 OTHER FINANCIAL LIABLITIES

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Unclaimed Dividend (Refer Note below)	2.52	2.46
Payables for Capital Expenditure	2.06	14.42
Employee benefits payable	83.05	76.71
	87.63	**93.59**

Note: The amount of Unclaimed Dividend reflects the position as at March 31, 2020. During the year, the company has transferred an amount of ₹ 0.27 Millions (Previous year ₹ 0.26 Millions) to the Investors' Education and Protection Fund in accordance with the provisions of section 125 of the Companies Act, 2013.

24 PROVISIONS

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Provision for employee benefits (Note (i))	21.03	8.57
Provision for unexpired warranty (Note (ii))	19.77	14.92
	40.80	**23.49**

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.

Provision for unexpired warranty

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	**14.92**	**13.39**
Add: Additional provision made during the year	22.68	12.69
Less: Provision used during the year	17.83	11.16
Closing balance	**19.77**	**14.92**

25 OTHER LIABILITIES

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Advances from customers	487.60	537.09
Statutory dues payable	10.91	9.20
	498.51	**546.29**

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

26 REVENUE FROM OPERATIONS

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Sale of Products	5,118.75	4,116.20
Other Operating Revenues	44.80	70.82
Total	**5,163.55**	**4,187.02**

Disaggregate Revenues from contracts with customer:

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Glass lined equipment	3,547.41	2,850.05
Revenue from Heavy Engineering	502.16	553.44
Revenue from Proprietary Product	1,113.98	783.53
Total	**5,163.55**	**4,187.02**

Reconcilation of Revenue from operations with contract price:

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contract Price	5,201.44	4,233.32
Less: Adjustment made to contract price on account of:		
Sales Return	13.69	26.19
Liquidated Damages	24.20	20.11
Total	**5,163.55**	**4,187.02**

27 OTHER INCOME

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income (Gross)		
- Non - current investments	0.35	0.35
- Deposits with banks	0.91	2.13
- Others	0.39	0.31
Dividend Income		
- Current Investments	0.03	0.10
Net Gain on Sale of Investments		
- Non-Current Investments	-	2.97
- Current Investments	-	10.06
Net Gain on Investments Classified as FVTPL		
- Non-Current Investments	-	(2.12)
- Current Investments	12.12	14.91
Other non-operating income		
- Bad Debts Recovered	-	0.55
- Profit on sales of fixed assets (Net)	-	3.83
- Miscellaneous Income	31.25	29.19
Net gain on foreign exchange translations	16.12	10.07
Total	**61.17**	**72.35**

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

28 COST OF MATERIALS CONSUMED

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock of Raw Materials	488.37	338.18
Add: Purchases during the year	2,408.79	2,270.56
	2,897.15	**2,608.74**
Less: Closing stock of Raw Materials	510.77	488.37
Total	**2,386.38**	**2,120.37**

29 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Inventory of finished good at the beginning of the year	67.57	130.86
Inventory of work in progress at the beginning of the year	474.52	318.86
	542.09	**449.72**
Inventory of finished good at the closing of the year	118.26	67.57
Inventory of work in progress at the closing of the year	480.72	474.52
	598.98	**542.09**
	(56.89)	**(92.37)**

30 EMPLOYEE BENEFITS EXPENSE

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and Wages	499.42	381.28
Contribution to Provident and Other Funds	29.73	24.87
Staff Welfare Expenses	21.91	15.99
Total	**551.06**	**422.14**

31 FINANCE COSTS

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense	2.97	1.72
Other financial charges	11.17	9.96
Interest on Lease Liabilities (refer Note 19)	20.74	-
Total	**34.88**	**11.68**

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

32 OTHER EXPENSES

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Power & Fuel	251.25	216.27
Stores & Spares Consumption	227.67	117.94
Repairs to Machinery	61.07	40.67
Repairs to Buildings	12.76	7.99
Repairs- Others	4.28	7.39
Rent (Refer to Note 19)	7.43	41.07
Insurance	11.79	10.06
Rates & Taxes	3.07	3.08
Royalty	29.97	24.71
Travel & Conveyance	44.62	43.37
Communication	12.25	9.83
Bad debts written off	0.01	4.75
Provision for doubtful debts and advances	3.12	10.15
Provision for Warranty expenses	4.85	2.31
Loss on Sale of Fixed Assets	2.47	-
Net Loss on Sale of Investments - Current Investments	7.97	-
Net Loss on Investments Classified as FVTPL - Non Current Investments	0.01	-
Advertisement and sales promotion	19.39	14.88
Commission	4.40	1.96
Legal and professional fees	51.58	50.95
Freight outward	105.83	84.68
Payments to auditors (Refer Note : 34)	4.36	4.41
Expense on CSR activities	9.44	7.38
Miscellaneous Expenses	72.02	76.38
Total	**951.61**	**780.23**

33 CONTINGENT LIABILITIES AND COMMITMENTS

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
1) Contingent Liabilities		
a) Claim against the Company not acknowledged as debts		
i) Dispute relating to Excise, Service tax and Sales tax, During FY 19-20, Company have settled all excise related pending cases under Sabka Vishwas disput resolution scheme through 30% duty payment on demand raised. Related to service tax matter, company has preferred appeal against order for payement under RCM. Management will reasonbly confindent that no liability will devolve on company and hence no liabilities have recognized in the books of account. In Sales Tax matter, Company has filed appeal against Assessment order. The management is reasonbly confident that no liability will be arise in future and hence no provision is made in books of account.	11.70	23.36
ii) Matter decided in favour of the company where the income tax department has preferred appeals. During the year, the company has received Order from ITAT Ahmedabad, for AY 10-11 in which ITAT has set aside the issue to CIT (Appeal). In AY 11-12 & 12-13, Departement has preferred appeal before ITAT Ahemadabad againt order passed by CIT (Appeal) in respect of upward adjustment in Arm Lengh Price. The management is reasonbly confident that no liability will be arise in future and hence no provision is made in books of account.	52.68	55.04

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

iii) Disputed demands relating to tax against which the Company has preferred appeals. During the year, the company has received Order from ITAT Ahmedabad, for AY 10-11 in which ITAT has set aside the issue to CIT (Appeal). The company has filed Misc. application against this order. In AY 11-12 & 12-13,Company has preferred appeal before ITAT Ahemadabad againt order passed by CIT (Appeal) in respect of confirming ajdustment in Arm Lengh Price. In AY 13-14, Education expenditure has been disallowed in Order passed under Sec 143(3) of IT Act. Company has preferred appeal before CIT (Appeal) against this addition. In AY 17-18, Commission paid to non-resident have been disallowed due to non deduction of TDS. Company has preferred appeal before CIT (Appeal) against this addition. The management is reasonbly confident that no liability will be arise in future and hence no provision is made in books of account.	9.40	11.21
Note: Against the above, the company has paid ` 4.94 Millions. The expected outflow will be determined at the time of final outcome in respect of concerned matter.		
b) Guarantee issued by bank	691.23	489.95
2) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	162.39	149.80

34 PAYMENTS TO AUDITORS

₹ in Million

Particulars	Year March 31, 2020	Year March 31, 2019
As Auditor		
(i) Statutory Audit fees	1.85	2.20
(ii) Limited review fees	1.50	1.10
(iii) Tax audit fees	0.20	0.20
Other services		
(i) Certification	0.24	0.59
Reimbursement of out-of-pocket expenses	0.57	0.32
	4.36	**4.41**

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	Year March 31, 2020	Year March 31, 2019
Employer's Contribution to Provident Fund	14.01	10.39
Employer's Contribution to Superannuation Fund	3.05	4.47
Employer's Contribution to Pension Scheme	7.23	6.06

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.

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

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 31,2020 by M/S K A Pandit, Fellow member of the Institute of the Actuaries of India. 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 Company's financial statements as at the year end are as under:

₹ in Million

		Gratuity (Funded)		Compensated Absences (Funded)	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
a	**Assumptions :**				
	Discount Rate	6.82%	7.79%	6.82%	7.79%
	Rate of Return on Plan Assets	6.82%	7.79%	6.82%	7.79%
	Salary Escalation	6.0%	6.0%	6.0%	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	6.35 Years	6.89 Years	6.67 Years	6.89 Years
	Average Age	36.31 Years	36.04 Years	36.31 Years	36.04 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	52.50	47.12	21.22	18.56
	Interest cost	4.09	3.71	1.65	1.46
	Current service cost	4.60	4.19	1.98	1.68
	Liabilities Transferred in/ Acquisition	3.04	-	1.63	-
	Benefit paid	(2.82)	(2.82)	(1.50)	(1.92)
	Actuarial (gains) and loss arising from changes in demographic assumption	-	-	-	-
	Actuarial (gains) and loss arising from changes in financial assumptions	6.48	0.40	3.48	0.20
	Actuarial (gains) and loss arising from experience adjustments	(0.00)	(0.10)	2.09	1.24
	Liability at the end of the year	67.89	52.50	30.55	21.22

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

₹ in Million

		Gratuity (Funded)		Compensated Absences (Funded)	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
c	**Change in Plan Assets:**				
	Fair value of Plan Assets at the beginning of the year	47.83	41.22	17.32	15.26
	Expected Return on Plan Assets	3.73	3.24	1.36	1.20
	Assets Transferred in/ Acquisition	3.04	-	-	-
	Contributions	5.08	6.79	3.91	2.99
	Benefit Paid	(2.82)	(2.82)	(1.50)	(1.92)
	Actuarial gain / (loss) on Plan Assets	(0.42)	(0.60)	(0.12)	(0.21)
	Fair value of Plan Assets at the end of the year	56.44	47.83	20.97	17.32
d	**Actual Return on Plan Assets:**				
	Expected Return on Plan Assets	3.73	3.24	1.36	1.20
	Actuarial (loss) on Plan Assets	(0.42)	(0.60)	(0.12)	(0.21)
	Actual Return on Plan Assets	3.31	2.64	1.24	0.99
e	**Amount Recognized in the Balance Sheet:**				
	Present value of Funded defined benefit obligation at the end of the year	67.89	52.50	30.55	21.22
	Fair value of Plan Assets at the end of the year	56.44	47.83	20.97	17.32
	Net (Liability)/Asset Recognized in the Balance Sheet	(11.45)	(4.67)	(9.58)	(3.90)
f	**Expenses Recognized in the Statement of Profit & Loss :**				
	Current Service cost	4.60	4.19	1.98	1.68
	Interest Cost	0.36	0.47	0.29	0.26
	Net Actuarial (gain) / loss to be recognized	6.90	0.90	5.69	1.65
	Expense / (Income) Recognized in Statement of Profit and Loss	11.86	5.56	7.96	3.59
g	**Balance Sheet Reconciliation:**				
	Opening Net Liability	4.67	5.90	3.90	3.30
	Expenses recognised in Statement of Profit and Loss	4.96	4.66	7.96	3.59
	Net Liability Transfer In	-	-	1.63	-
	Expenses recognised in OCI	6.90	0.90	-	-
	Employers Contribution	(5.08)	(6.79)	(3.91)	(2.99)
	Net Liability / (Assets) Recognized in Balance Sheet	11.45	4.67	9.58	3.90
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	(0.00)	(0.10)	2.09	1.24
	Actuarial (Gains)/Losses on Plan Assets - Due to Experience	0.42	0.60	(0.12)	(0.21)
j	**Projected Contribution for next year**	**15.13**	**9.26**	**12.25**	**5.87**

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 Millions).

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

₹ in Million

Particulars	March 31, 2020	March 31, 2019
Projected Benefit obligation on current assumption	67.89	52.50
Impact of increase in discount rate by 1%	(6.67)	(4.58)
Impact of decrease in discount rate by 1%	7.99	5.44
Impact of increase in salary escalation rate by 1%	7.98	5.48
Impact of decrease in salary escalation rate by 1%	(6.77)	(4.69)
Impact of increase in rate of employee turnover by 1%	0.43	0.79
Impact of decrease in rate of employee turnover by 1%	(0.51)	(0.91)

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

	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Insurance Fund	56.44	47.83	20.97	17.32
Total	**56.44**	**47.83**	**20.97**	**17.32**

m Maturity Profile

₹ in Million

	Gratuity	
Particulars	March 31, 2020	March 31, 2019
1st Following Year	8.34	8.09
2nd Following Year	2.80	1.16
3rd Following Year	3.58	5.07
4th Following Year	3.38	3.08
5th Following Year	4.53	2.33
Sum of Years 6 to 10	20.79	19.69
Sum of Years 11 and above	130.27	103.21

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.

36 FINANCIAL INSTRUMENT:

36.1 Capital Management

The entity manages its capital to ensure that entity will be able to continue as going concern while maximising the return to stakeholders through the optimisation of Total Equity balance.

The company was debt free in the previous year, however the company has availed unsecured working capital borrowing as at year end due to which its capital structure consists of own equity and borrowing in the current year. Hence, Gearing Ratio of the company for the year ended 31.03.20 as well as 31.03.19 comes to 3.98% and NIL respectively.

The company is not subject to any externally imposed capital requirement.

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

36.2 Categories of Financial Instruments :

₹ in Million

Particulars	March 31, 2020	March 31, 2019
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured		
(i) Investment in mutual fund	356.63	471.98
(b) Designated as at FVTPL		
(i) Investment in equity instruments	4.70	4.71
Measured at amortised cost		
(a) Cash and bank balances	289.52	288.64
(b) Other financial assets at amortised cost		
(i) Trade Receivables	594.68	488.67
(ii) Loans	0.97	0.66
(iii) Others	318.18	180.48
Financial liabilities		
Measured at amortised cost		
Borrowing	112.26	-
Lease Liabilities	231.99	-
Trade Payables	577.81	533.84
Others	87.63	93.59

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:

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

₹ in Million

Particulars	Currency	(Liabilities)/Assets as at March 31, 2020	March 31, 2019
Trade Payable (Net of advances)*	USD	0.06	(0.68)
	EUR	(5.01)	(3.05)
	CHF	0.98	-
	GBP	(0.32)	-
Cash & Cash Equivalents	USD	10.93	16.60
	EUR	28.15	10.97
Trade Receivable (Net of advances)	USD	2.57	(0.70)
	EUR	9.21	6.80
	CHF	(6.77)	(1.14)

* The value of ₹ equivalent to GBP is 197 in Previous Year.

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 ₹ 1.99 million (₹1.44 million) in the Company's net profit for the year ended March 31, 2020 and March, 31 2019 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 have outstanding borrowings of ₹ 112.26 million and ₹ Nil at the end of March 31, 2020 and March 31, 19 respectively. The impact of 5% increase/decrease in interest rates would result in nominal increase/ decrease in the company's profit.

(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 31 March, 2020 would increase/decrease by ₹ 18.07 millions (for the year ended March 31, 2019 by ₹ 23.83 millions) 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.

Custome Name	Year ended March 31, 2020		Year ended March 31, 2019	
	% of total receivables	(Amount in ₹)	% of total receivables	(Amount in ₹)
Deccan Fine Chemicals (I) Pvt. Ltd.	26%	17,86,84,891	11%	6,25,58,728
P.I.Industries Ltd.	7%	4,71,67,007	2%	1,21,38,721
Hemani Industries Limited	5%	3,24,55,957	1%	83,32,141
MSN Laboratories Private Limited	1%	46,78,389	8%	4,34,67,932
Divi's Laboratories Limited	1%	56,67,365	6%	3,40,63,934

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹1,564.68 millions and ₹ 1,435.14 millions as at March 31, 2020 and March 31, 2019 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 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.

₹ in Million

Particulars	Up to 1 Year	1 to 5 years	5 years and above
As at 31st March, 2020			
Trade payable	577.81	-	-
Other Financial Liabilities	87.63	-	-
Borrowing	112.26	-	-
Lease Liabilities	55.40	176.59	-
Total	**833.10**	**176.59**	**-**
As at 31st March, 2019			
Trade payable	533.84	-	-
Other Financial Liabilities	93.59	-	-
Total	**627.43**	**-**	**-**

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.

₹ in Million

Particulars	Up to 1 year	1 to 5 years	5 years and above
As at 31 March 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	-
Non current Financial assets- Loans	-	-	-
Other Non current Financial assets	-	27.78	-
Total	**1,532.20**	**32.48**	**-**

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

As at 31 March 2019			
Current Investments	471.98	-	-
Trade receivables	488.67	-	-
Cash & Cash equivalents	284.81	-	-
Bank balances other than above	3.83	-	-
Current Financial assets-Loans	0.66	-	-
Other Financial Assets	160.61	-	-
Non current Investments	-	4.71	-
Non current Financial assets- Loans	-	-	-
Other Non current Financial assets	-	19.87	-
Total	**1,410.56**	**24.58**	**-**

37 FAIR VALUE MEASUREMENTS

This note provides information about how the Entity determines fair values of various financial assets and financial liabilities.

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			
	March 31, 2020	March 31, 2019	Fair Value hierarchy	Valuation technique(s) and key input(s)
1. Investments in Mutual Funds (Note 9)	356.63	471.98	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)	4.69	4.70	Level 1	Quoted bid prices in an active market

Note 1: Significant unobservable inputs for Financial Instruments classified under "Level - 3" Fair Value hierarcy 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 1st April, 2018	0.01
Total Gain/(Loss) in statement of Profit & Loss	-
Closing Balance as at 31st March, 2019	0.01
Opening Balance as at 1st April, 2019	0.01
Total Gain/(Loss) in statement of Profit & Loss	-
Closing Balance as at 31st March, 2020	**0.01**

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

38 RELATED PARTY DISCLOSURES

(I) List of Related parties

(a) Parties where control exists:		
(i) Ultimate Holding Company	:	Pfaudler International s.a.r.l.
(ii) Holding Company	:	Pfaudler Inc.
(b) Subsidiaries Companies	:	GMM Mavag AG
		Mavag AG
(c) Fellow Subsidiaries	:	Pfaudler GmbH
		Pfaudler Balfour Ltd.
		Edlon PSI Inc.
		Suzhou Pfaudler Glass Lined Equipment Co. Ltd.
		Glass Steel Parts and Services
		Pfaudler s.r.l.
		Pfaudler Limited
		Pfaudler Rochester, USA
		Pfaudler Process Solution Group U.K. Limited
		Pfaudler Ltd., Brazil
		Normag Labournd Prozees Technik GmbH
		Interseal Dipl. - Ing. Rofl Schmitz GmbH
		Pfaudler Services Benelux B.V
		Pfaudler Normag System GmbH
(d) Key management personnel	:	Mr. Tarak Patel – Managing Director
		Mr. Ashok Pillai – Chief Operating Officer
		Mr. Jugal Sahu – Chief Financial Officer
		Ms. Mittal Mehta – Company Secretary
(e) Relative of Key management personnel	:	Mr. Ashok Patel (Father of Mr. Tarak Patel)
		Mrs. Urmi Patel (Mother of Mr. Tarak Patel)
		Mrs. Uttara Gelhaus (Sister of Mr. Tarak Patel)
		Mrs. Payal Patel (wife of Mr. Tarak 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
		J V Patel & Co.
		Oerlikon Textiles (I) Pvt. Ltd.

38 RELATED PARTY DISCLOSURES (CONTD.)

(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, 2020	For the Year ended March 31, 2019	For the Year ended March 31, 2020	For the Year ended March 31, 2019	For the Year ended March 31, 2020	For the Year ended March 31, 2019	For the Year ended March 31, 2020	For the Year ended March 31, 2019	For the Year ended March 31, 2020	For the Year ended March 31, 2019	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Purchase of goods	-	20.35	1.24	1.27	33.97	37.96	-	-	-	-	6.68	6.95
Sale of goods	170.29	111.57	114.82	75.82	151.57	118.49	-	-	-	-	-	-
Services received	2.44	0.76	0.82	1.64	0.08	0.11	-	-	-	-	-	0.65
Services provided	5.89	-	0.98	-	4.47	0.22	-	-	-	-	-	-
Royalty	29.97	24.71	-	-	-	-	-	-	-	-	-	-
Lease Rent paid	-	-	-	-	-	-	-	-	-	-	57.23	44.80
Remuneration	-	-	-	-	-	-	64.16	51.82	-	-	-	-
Dividend paid	33.18	36.13	-	-	-	-	0.79	0.86	3.59	3.91	2.39	2.60
Director Sitting Fees	-	-	-	-	-	-	3.90	1.70	-	-	-	-
Advance Received	0.05	35.24	24.07	17.47	10.56	3.09	-	-	-	-	-	-
Advance Received back	-	-	-	0.45	-	-	-	-	-	-	-	-
Repayment of Loan	-	-	-	-	-	-	-	1.19	-	-	-	-
Balance outstanding#												
Payables	-	21.85	-	-	7.35	8.48	36.41	27.52	-	-	-	0.09
Receivables	20.95	-	0.98	8.16	26.27	44.26	-	-	-	-	-	-
Advanced Received	0.05	35.24	24.07	17.47	10.56	3.09	-	-	-	-	-	-
Deposit outstanding	-	-	-	-	-	-	-	-	-	-	23.70	21.80

Balance outstanding are exclusive of unrealised foreign exchange gain (loss)

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

38 RELATED PARTY DISCLOSURES (CONTD.)

(III) Significant Related Party Transactions are as under:

₹ in Million

Nature of transactions	Name of Party	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of goods	Pfaudler GmbH	27.68	30.60
	Pfaudler Inc.	-	20.35
	Oerlikon Textile India Pvt.Ltd	6.68	6.95
	Pfaudler S.r.l	0.07	4.35
	Pfaudler Normag System GmbH	5.50	-
Sale of goods	Mavag AG	114.82	75.82
	Pfaudler GmbH	22.53	35.23
	Suzhou Pfaudler Glass Lined Equipment Co. Ltd.	36.95	30.13
	Pfaudler Inc.	170.29	111.57
	Pfaudler S.r.l	57.58	26.38
Services received	Pfaudler Inc.	2.44	0.76
	Mavag AG	0.82	1.64
	Oerlikon Textile India Pvt.Ltd	-	0.65
Services provided	Pfaudler GmbH	-	0.22
	Suzhou Pfaudler Glass Lined Equipment Co. Ltd.	4.13	-
	Pfaudler Inc.	5.89	-
Lease rent paid	Ready Mix Concrete . Ltd.	28.89	32.51
	J V Patel & Co.	27.22	11.21
Royalty	Pfaudler Inc.	29.97	24.71
Remuneration paid	Mr. Tarak A. Patel	42.25	31.18
	Mr. Ashok Pillai	11.45	10.71
	Mr. Jugal Sahu	8.20	7.93
Dividend paid	Pfaudler Inc	33.18	36.13
Repayment of Loan	Mr. Ashok Pillai	-	1.19
Balances outstanding as on March 31, 2020			
Payables	Pfaudler GmbH	7.35	7.24
	Pfaudler Inc.	-	21.85
Receivables	Mavag AG	0.98	8.87
	Pfaudler s.r.l	9.38	16.85
	Suzhou Pfaudler Glass Lined Equipment Co. Ltd.	0.70	27.37
	Pfaudler Inc	20.95	-
	Pfaudler Services Benelux B.V	12.67	-
Advance Received against order	Pfaudler Inc	0.05	35.24
	Mavag AG	24.07	17.47
	Pfaudler s.r.l	10.56	-
Deposit outstanding	Ready Mix Concrete . Ltd.	12.30	10.40
	J V Patel & Co.	11.40	11.40
Key Managerial Personal			
Payable	Mr. Tarak A. Patel	32.25	22.92
	Mr. Ashok Pillai	2.70	3.00
	Mr. Jugal Sahu	1.05	1.39

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, 2020	Year ended March 31, 2019
Short-term employee benefits	61.15	50.79
Post-employment benefits	2.89	2.62
Other long-term benefits	0.12	0.11
Termination benefits	-	-
Share-based payment	-	-
Total	**64.16**	**53.52**

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

39 SEGMENT REPORTING

(a) Primary Segment reporting by Business Segment

₹ in Million

Particulars	Glasslined Equipment		Heavy Engineering		Proprietary Product		Total	
Year Ended	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue :								
Total External Sales	3,547.41	2,850.05	502.16	553.44	1,113.98	783.53	5,163.55	4,187.02
Segment Results:								
Profit/(Loss) Before Tax and Interest	795.82	556.04	51.76	64.21	145.03	77.91	992.61	698.16
Unallocated Expense (Net)							139.02	76.54
Add: Interest Income							1.65	2.79
Less: Interest Expense							34.88	11.68
Profit/(Loss) Before Tax							820.36	612.73
Taxes							199.13	206.38
Net Proft after Tax							621.23	406.35
Segment Assets	1,587.96	1,449.68	831.60	424.53	795.53	466.88	3,215.09	2,341.09
Unallocated Assets							1,094.53	1,109.70
Total Assets							4,309.62	3,450.79
Segment Liabilities	800.40	795.18	150.18	153.29	415.17	244.51	1,365.75	1,192.98
Unallocated Liabilities							233.07	80.65
Total Liabilities							1,598.82	1,273.63
Capital Expenditure	150.06	118.24	106.39	19.26	263.01	16.98	519.46	154.48
Unallocated Capital Expenditure							56.28	15.87
Depreciation	89.44	70.57	18.56	10.06	64.14	16.11	172.14	96.74
Unallocated Depreciation							28.00	6.91

Notes

1) Considering the nature of the Company's business and operations, as well as based on reviews performed by Chief operating decision maker regarding resource allocation and performance management, the Company has classified Glass lined Equipment, Heavy Engineering and Proprietary Products as reportable segments in accordance with the requirements of 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. Expenses not directly allocable to the segments are treated as "Unallocated Expenses".

3) The accounting policies of the reportable segments are the same as the Company's accounting Policies described in Note 4.

Entity wide Disclosure

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
i) Non-current operating assets:		
India	1,236.09	712.78
Others	-	-
Total	**1,236.09**	**712.78**

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
ii) Geographic information		
Revenue from external customers		
India	4,584.33	3,733.68
Outside India	579.22	453.34
Total revenue as per Standalone statement of profit or loss	**5,163.55**	**4,187.02**

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

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 ₹ 9.44 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	4.25	4.25
2.	Skill Development	Contribution to J V Patel ITI	Karamsad, Gujarat	J V Patel ITI	2.48	2.48
3.	Environment Sustainability	Contribution to Sardar Patel Trust	Karamsad, Gujarat	Sardar Patel Trust	0.64	0.64
4.	Environment Sustainability	Contribution to Reefwatch Marine Conservation	Andaman - Nicobar Island, India	Reefwatch Marine Conservation	1.00	1.00
5.	Social Awarness	Contribution to Reefwatch Marine Conservation - mega funa	Mega-funa Rescue & Beach Restoration on the Karnataka Coast	Reefwatch Marine Conservation	1.07	1.07
				Total	**9.44**	**9.44**

41 EARNINGS PER SHARE

₹ in Million

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a)	Net profit for the year available to equity shareholders after Tax in Million ₹	621.23	406.35
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 ₹	2.00	2.00
d)	Basic and diluted earnings per share ₹	42.50	27.80

42 DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2019-20, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE "SUPPLIERS" REGARDING THEIR STATUS UNDER THE ACT.

₹ in Million

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
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	6.41	0.09
	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.

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

43 The Company has acquired Industrial Mixing Solutions Division (IMSD) of Sudarshan Chemical Industries Ltd, Pune on a going concern basis in terms of definite agreement on April 12, 2019 at a consideration of ₹ 272.27 million.

IMSD is primarily engaged in designing and manufacturing of Industrial Mixers, Vessels and agitators for liquid, solids and gases. Agitators are technology driven equipment and are engineered based on customers' mixing requirements with respect to mixing applications (solid, liquid, gas), mixing time and viscosity. Vessels are fabricated products designed to meet the capacity requirements of customers and are used for housing the Agitators to complete the Industrial Mixer.

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:

₹ in Million

Particulars	Amount
Property, Plant & Equipment	12.98
Other Intangible Assets	162.52
Net working capital	37.45
Net Assets	212.95
Less: Purchase consideration	272.27
Goodwill	**59.32**

Goodwill arose in the acquisition of the above said division because the consideration paid for the combinations effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Goodwill arising on the acquisition is deductible for tax purposes.

44 Impact of COVID-19 (Global Pandemic):

The World Health Organisation (WHO) declared the novel Coronavirus (COVID-19) outbreak a global pandemic on March 11, 2020. Consequent to this, Government of India had declared lockdown on March 23, 2020 and therefore, the Company suspended its operations in all its manufacturing units and offices temporarily.

COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, closure of production facilities etc. during the lock-down period. However, production and supply of goods has commenced on April 20th, 2020 at our manufacturing facility located in Karamsad, Gujarat and on May 14th, 2020 at our manufacturing facility in Pune, Maharashtra after obtaining necessary permissions from the appropriate government authorities. We have also taken necessary precautions to ensure the health, safety and wellbeing of all our employees as well as put in place SOPs and guidelines as per state government directives to prevent the spread of Covid-19. We expect to reopen our sales offices across India and our corporate office in Mumbai sometime during June 2020 after getting the necessary approvals.

The Company has made detailed assessment of its liquidity position for FY 2021 and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory, and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these standalone and consolidated financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Impact of COVID – 19 on Q4 FY2020 performance :

Covid–19 began impacting our normal business operations on 14th March 2020 by affecting our supply chain and our ability to ship ready equipment to our customers, our production eventually shut down completely on March 23rd, 2020. As a result, we lost sizable revenue due to disruption leading to lower profits for the quarter. Further, the company has discharged its disbursement obligations in full on payroll including contractual, casual and workmen and paid to its creditors though collections from customers was a bit slow during the period.

Impact of COVID – 19 on FY2021 performance:

We started the year with a strong unexecuted order book which is higher as compared to previous year. During the lockdown period we secured sizeable orders which further strengthens our order book position. Our production facilities have resumed operation and supply chain is gradually returning to normal. Even though we lost 20 days of production in April 2020, which in turn will affect our Q1 FY2021 revenues and profitability, we are confident that we can recoup the shortfall in subsequent quarters.

Notes to Standalone Financial Statements for the year ended March 31, 2020 (Contd.)

45 Proposed Dividend:

The Board of Directors in their meeting held on 23rd May, 2020, proposed a final equity dividend of ₹ 2.00 per equity share of ₹ 2.00 each fully paid up for the financial year 2019-20. The aggregate amount of final equity dividend proposed to be distributed is ₹ 29.23 million.

46 The financial statements for the year ended March 31, 2020 were approved for issue by the Board of Directors on May 23, 2020.

As per our report of even date.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner
Membership No. 106189
Ahmedabad, May 23, 2020

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900
Pune, May 23, 2020

Tarak Patel
Managing Director
DIN: 00166183
Lonavala, May 23, 2020

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 23, 2020

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 23, 2020

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 31st March 2020, 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, 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 31 March 2020, 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 other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) 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

Key Audit Matter Description

The Group generates its revenue from long-term customer specific contracts where performance obligations are satisfied over a period of time. These contracts are accounted under the percentage of completion method (POC).

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 accounting standards have been met, and estimates, related to future costs, the final outcome of the contract and the stage of completion.

Principle audit procedure performed

As part of our audit we obtained an understanding of the methodology applied, the internal processes and the key controls used to determine the estimates, related to future costs, final outcome of the contract and the stage of completion. We evaluated the processes and IT systems used to record actual costs incurred, tested the manual controls and automated controls implemented in the IT systems.

As part of our work, we focused on management's judgement in applying the methodology and the estimates made to determine the amount of revenue to be recorded in their project calculations.

We obtained and reviewed contract list and calculation and tested the calculation of stage of completion including the cost incurred and recorded against the contract for occurrence and accuracy, assessing the basis for determining the costs to complete and total contract cost and then re performing the percentage of completion calculation.

We challenged management in respect of the reasonableness of judgements made regarding the cost to complete contract and the timing of recognition of change orders.

We also assessed whether management's policies and processes for making these estimates continue to be appropriate and are applied consistently over time and to contracts of a similar nature.

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

Independent Auditor's Report (Contd.)

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

Independent Auditor's Report (Contd.)

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 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 2 subsidiaries, whose financial statements reflect total assets of ₹ 1,225.50 million as at 31st March, 2020, total revenues of ₹ 862.02 million and net cash outflows amounting to ₹ 278.37 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 90.12 million for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of 2 subsidiaries, whose financial statements have not been audited by us. 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.

(b) Both 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 and the financial statements certified by the Management.

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 31st March, 2020 taken on record by the Board of Directors of the Company, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2020 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 incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the 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 LLP**
Chartered Accountants
(Firm's Registration No.117366W/ W 100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: May 23, 2020

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, 2020, we have audited the internal financial controls over financial reporting of GMM Pfaudler Limited (hereinafter referred to as "Parent"), as of that date.

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, 2020, 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 LLP**
Chartered Accountants
(Firm's Registration No.117366W/ W 100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: May 23, 2020

GMM Pfaudler
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Consolidated Balance Sheet

as at March 31, 2020

₹ in Million

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipment	6	871.63	597.69
(b) Right of Use Assets	7	220.04	-
(c) Capital work-in-progress		15.99	49.54
(d) Goodwill on consolidation		138.76	123.38
(e) Goodwill	8	59.32	-
(f) Other Intangible Assets	8	184.50	54.93
(g) Intangible assets under development		0.44	0.40
(h) Financial Assets			
(i) Investments	9	4.70	4.71
(ii) Others	11	27.78	19.87
(i) Deferred Tax Assets (net)	20	-	8.20
(j) Non-current Tax Assets (Net)	12	5.77	-
(k) Other non-current assets	13	6.57	35.71
Sub-total		**1,535.50**	**894.43**
(2) Current Assets			
(a) Inventories	14	1,258.24	1,154.55
(b) Financial Assets			
(i) Investments	9	356.63	471.98
(ii) Trade Receivables	15	743.29	672.05
(iii) Cash & Cash Equivalents	16	477.75	754.16
(iv) Bank balances other than (iii) above	16	286.14	3.83
(v) Loans	10	169.73	79.73
(vi) Others	11	423.21	236.01
(c) Other current assets	13	184.44	77.06
Sub-total		**3,899.43**	**3,449.37**
Total Assets		**5,434.93**	**4,343.80**
EQUITY & LIABILITIES			
Equity			
(a) Equity Share Capital	17	29.23	29.23
(b) Other Equity	18	3,400.04	2,660.05
Sub-total		**3,429.27**	**2,689.28**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liablities	19	176.59	-
(b) Deferred tax liabilities (Net)	20	50.12	53.40
(c) Provisions	24	134.34	154.50
Sub-total		**361.05**	**207.90**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowing	21	112.26	-
(ii) Lease Liablities	19	55.40	-
(iii) Trade payables due to			
- Micro & Small Enterprise	22	20.95	33.57
- Other than Micro & Small Enterprise	22	620.57	605.53
(iv) Others	23	135.60	93.59
(b) Provisions	24	48.18	30.05
(c) Current tax liabilities (net)	12	-	23.02
(d) Other current liabilities	25	651.65	660.86
Sub-total		**1,644.61**	**1,446.62**
Total Equity & Liabilities		**5,434.93**	**4,343.80**
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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner
Membership No. 106189
Ahmedabad, May 23, 2020

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900
Pune, May 23, 2020

Tarak Patel
Managing Director
DIN: 00166183
Lonavala, May 23, 2020

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 23, 2020

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 23, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

₹ in Million

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Income:			
Revenue from Operations	26	5,910.72	5,026.43
Other Income	27	57.57	84.50
Total Income		**5,968.29**	**5,110.93**
Expenses:			
Cost of materials consumed	28	2,620.30	2,380.54
Changes in inventories of finished goods and work in progress	29	(76.07)	(51.38)
Employee benefits expense	30	879.78	726.10
Finance cost	31	34.90	11.72
Depreciation and amortisation expense	6&7&8	211.15	109.74
Labour Charges		353.89	355.78
Other expenses	32	1,021.46	845.73
Total Expense		**5,045.41**	**4,378.23**
Profit before tax		**922.88**	**732.70**
Tax expenses:			
Current tax		213.15	223.76
Deferred tax		(1.58)	3.13
		211.57	**226.89**
Profit for the year		**711.31**	**505.81**
Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
(i) Actuarial Gain / (Loss) on Gratuity and Pension obligations		38.79	(20.35)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(7.19)	3.11
(B) Items that may be reclassified to profit or loss			
(i) Exchange difference in translating the financial statements of foreign components		77.77	12.52
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (A (i-ii) + B (i)		**109.37**	**(4.72)**
Total Comprehensive Income for the year		**820.68**	**501.09**
Earnings Per Equity Share:			
Basic		48.66	34.60
Diluted		48.66	34.60
Significant Accounting Policies	4&5		

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner
Membership No. 106189
Ahmedabad, May 23, 2020

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900
Pune, May 23, 2020

Tarak Patel
Managing Director
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Lonavala, May 23, 2020

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 23, 2020

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 23, 2020

GMM Pfaudler
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Consolidated Statement of Cash Flow

for the year ended March 31, 2020

₹ in Million

		Year ended March 31, 2020	Year ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**922.88**	**732.70**
Adjustments for			
Depreciation and Amortisation expense		211.15	109.74
Net (gain) / loss on sale & discard of fixed assets		2.47	(18.17)
Net (gain) / loss on Non Current Investments designated as Fair Value Through Profit or Loss		0.01	(10.06)
Net (gain) / loss on sale of Non-Current Investment		-	(2.97)
Net (gain) / loss on Current Investments designated as Fair Value Through Profit or Loss		(12.12)	(14.91)
Net (gain) / loss on sale of Current Investments		7.97	2.12
Interest income		(4.70)	(4.76)
Interest and financial charges		34.90	11.72
Dividend Income		(0.03)	(0.10)
Provision for doubtful debts, liquidated damages and advances		13.71	9.75
Provision for Warranty		5.67	2.40
Unrealised foreign exchange fluctuation loss/(gain)		59.48	10.46
Acturial Gain / (loss) on Gratuity reclassified in OCI		38.79	(20.35)
Operating profit before working capital changes		**1,280.18**	**807.57**
Adjustments for :			
(Increase)/ Decrease in Inventories		(103.69)	(198.14)
(Increase)/ Decrease in Trade receivable,Short term loan & advances and other assets		(655.38)	(150.20)
Increase/ (Decrease) in Trade payables,other current liabilities & Provisions		(12.13)	22.67
Cash generated from operations		508.97	481.90
Direct Taxes paid		(241.94)	(211.53)
Net cash from operating activities	A	**267.03**	**270.37**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment,including intangible assets		(355.96)	(162.12)
Payment towards acquisition of business (Refer Note 43)		(272.27)	-
Proceeds from sale of property, plant and equipment		2.32	22.89
Purchase of current investments		-	(133.01)
Proceeds from sale of current investments		119.50	182.93
Proceeds from sale of Non-current investments		-	4.90
Fixed deposits placed with banks		-	(5.34)
Fixed deposits maturity proceeds with banks		4.64	4.30
Interest received		4.70	4.76
Dividend received		0.03	0.10
Net cash used in investing activities	B	**(497.04)**	**(80.61)**

Consolidated Statement of Cash Flow for the year ended March 31, 2020 (Contd.)

₹ in Million

		Year ended March 31, 2020	Year ended March 31, 2019
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Short term Borrowing		112.26	-
Interest paid		(14.16)	(11.72)
Dividend paid		(65.84)	(71.85)
Tax on distributed profits		(13.52)	(14.72)
Payment of Lease Liabilities		(65.14)	-
Net cash used in financing activities	C	**(46.40)**	**(98.29)**
Adjustment due to liquidation	D	**-**	(2.97)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	A+B+C+D	**(276.41)**	**88.50**
Cash and Cash equivalents, beginning of the year		754.16	665.66
Effect of Exchange Rate Changes [(Gain)/Loss]		-	-
Cash and Cash equivalents, end of the year		**477.75**	**754.16**
COMPONENTS OF CASH AND CASH EQUIVALENTS			
Cash and Cash Equivalent			
Balances with banks			
- In current accounts		242.42	578.56
- In deposit accounts (Less than three months maturity)		234.60	175.00
Cash on hand		0.73	0.60
Total		**477.75**	**754.16**
Other Bank Balances			
- In unpaid dividend accounts - Earmarked balances		2.52	2.46
- Margin money deposits (lodged against bank guarantee and letter of credit)		283.62	1.37
Cash and Bank Balances at the end of the year		**763.88**	**757.99**

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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner
Membership No. 106189
Ahmedabad, May 23, 2020

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900
Pune, May 23, 2020

Tarak Patel
Managing Director
DIN: 00166183
Lonavala, May 23, 2020

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 23, 2020

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 23, 2020

GMM Pfaudler
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Consolidated Statement of changes in equity

for the year ended March 31, 2020

(I)	Equity Share Capital	Amount (₹ in Million)
	Balance at April 1, 2018	**29.23**
	Changes during the year	-
	Balance at March 31, 2019	29.23
	Balance at April 1, 2019	29.23
	Changes during the year	-
	Balance at March 31, 2020	**29.23**

(II) i) Other Equity :

₹ in Million

	Capital Reserve	Securities Premium	General Reserve	Cash Subsidy Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total
Balance at April 1, 2018	**0.02**	**149.28**	**220.84**	**0.69**	**1,722.82**	**154.62**	**2,248.27**
Profit for the year	-	-	-	-	505.80	-	505.80
Other comprehensive income for the year, net of income tax	-	-	-	-	(17.23)	12.52	(4.71)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**488.57**	**12.52**	**501.09**
Payment of dividends	-	-	-	-	(71.62)	-	(71.62)
Taxes on dividend	-	-	-	-	(14.72)	-	(14.72)
Adjustment due to liquidation	-	-	(1.48)	-	(1.49)	-	(2.97)
Balance at March 31, 2019	**0.02**	**149.28**	**219.36**	**0.69**	**2,123.56**	**167.14**	**2,660.05**
Balance at April 1, 2019	**0.02**	**149.28**	**219.36**	**0.69**	**2,123.56**	**167.14**	**2,660.05**
Profit for the year	-	-	-	-	711.31	-	711.31
Other comprehensive income for the year, net of income tax	-	-	-	-	31.60	77.77	109.37
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**742.91**	**77.77**	**820.68**
Payment of dividends	-	-	-	-	(65.78)	-	(65.78)
Taxes on dividend	-	-	-	-	(13.52)	-	(13.52)
Transition Impact of Ind AS 116	-	-	-	-	(1.39)	-	(1.39)
Balance at March 31, 2020	**0.02**	**149.28**	**219.36**	**0.69**	**2,785.78**	**244.91**	**3,400.04**

ii) A description of the purposes of each reserve within equity is disclosed in the Notes.

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner
Membership No. 106189
Ahmedabad, May 23, 2020

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900
Pune, May 23, 2020

Tarak Patel
Managing Director
DIN: 00166183
Lonavala, May 23, 2020

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 23, 2020

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 23, 2020

Notes

to Consolidated Financial Statements for the year ended March 31, 2020

1 GROUP INFORMATION

GMM Pfaudler Limited, the Parent Company ("the Company") is a public limited company incorporated and domiciled in India. The Company's manufacturing unit is located at Karamsad, Gujarat. 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.

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
3	GMM Mavag AG	Switzerland	100%	100%
4	Mavag AG (subsidiary of GMM Mavag AG)	Switzerland	100%	100%

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, 2020.

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 PREPERATION 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 millions.

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

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

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. Impairment of property, plant and equipment as well as intangible assets (refer note no. 4.f)
3. Impairment of investments in subsidiaries (refer note no. 4.i7)
4. Provision for old and obsolete inventory (refer note no. 4.h)
5. Provision for Warranty Expense (refer note no. 4.k)
6. Employee benefits (refer note no. 4.l)
7. Expense Provisions & contingent liabilities (refer note no. 4.o)
8. Provision for Doubtful Trade Receivables (refer note no. 4.i7)
9. Valuation of deferred tax assets (refer note no. 4.p)
10. Impairment of Goodwill (refer note no. 4.d)
11. 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

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) 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

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) 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.

i6) 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.

i7) 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, gratuity fund and compensated absences.

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 and pension 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);

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

- 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

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases", effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). (Refer Note 19).

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

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

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 accounting policies adopted for segment reporting are in line with the accounting policies of the Group. 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. Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

v) New and amended standards adopted by the Group:

The Group has applied the following standards and amendments for the first time for annual reporting period commencing from April 01, 2019.

Ind AS 116 - Leases:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. The adoption of the standard does not have any material impact to the financial statements of the Group.

Amendment to Ind AS 12 "Income Taxes"

Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment do not have any material impact to the financial statements of the Group.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019. The amendment do not have any material impact to the financial statements of the Group.

Amendment to Ind AS 19 'Employee Benefits':

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The interpretation does not have any impact on the Group financial statements.

5 CHANGES IN ACCOUNTING STANDARDS AND OTHER RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

6 PROPERTY, PLANT & EQUIPMENT

₹ in Million

	GROSS BLOCK				DEPRECIATION				NET BLOCK
CLASS OF ASSETS	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
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**

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

₹ in Million

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As on April 1, 2018	Additions	Deductions	As on March 31, 2019	Upto April 1, 2018	For the Year	On Deductions	Upto March 31, 2019	As on March 31, 2019
Freehold Land	2.32	-	-	2.32	-	-	-	-	2.32
Leasehold Improvement	19.90	8.41	-	28.31	2.78	2.99	-	5.77	22.54
Buildings	219.99	30.57	-	250.56	14.59	8.97	-	23.56	227.00
Plant & Machineries	370.93	34.46	7.40	397.99	102.25	59.29	7.35	154.19	243.80
Office Equipment	29.92	25.25	2.91	52.26	11.97	7.83	2.82	16.98	35.28
Furniture & Fixtures	12.44	1.04	3.48	10.00	5.30	1.96	3.48	3.78	6.22
Vehicles	72.03	25.47	21.94	75.56	19.29	13.08	17.34	15.03	60.53
Total	**727.53**	**125.20**	**35.73**	**817.00**	**156.18**	**94.12**	**30.99**	**219.31**	**597.69**

7 RIGHT OF USE ASSETS

₹ 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
Land and Buildings (Refer Note 19)	-	274.52	-	274.52	-	54.48	-	54.48	220.04
Total	**-**	**274.52**	**-**	**274.52**	**-**	**54.48**	**-**	**54.48**	**220.04**

8 INTANGIBLE ASSETS

₹ in Million

CLASS OF ASSETS	GROSS BLOCK				AMORTISATION				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	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 (Refer Note: 44)	-	4.27	-	4.27	-	3.98	-	3.98	0.29
Process Knowhow (Refer Note: 44)	-	120.68	-	120.68	-	11.26	-	11.26	109.42
Non- Compete agreement (Refer Note:44)	-	37.59	-	37.59	-	11.69	-	11.69	25.90
Goodwill (Refer Note: 44)	-	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 to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

₹ in Million

CLASS OF ASSETS	GROSS BLOCK				AMORTISATION				NET BLOCK
	As on April 1, 2018	Additions	Deductions	As on March 31, 2019	Upto April 1, 2018	For the Year	On Deductions	Upto March 31, 2019	As on March 31, 2019
Computer Software	34.73	54.82	-	89.55	19.00	15.62	-	34.62	54.93
Technical Knowhow	1.03	-	-	1.03	1.03	-	-	1.03	-
Total	**35.76**	**54.82**	**-**	**90.58**	**20.03**	**15.62**	**-**	**35.65**	**54.93**

Notes:

1. There are no adjustment to Property, Plant & Equipment and Intangible assets on account of borrowing costs and exchange differences.

Depreciation and amortisation expense

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of Property, plant and equipment	116.29	94.12
Amortisation of intangible assets	40.38	15.62
Depreciation on Right to Use Assets	54.48	-
Total depreciation and amortisation Expense	**211.15**	**109.74**

9 INVESTMENTS

(i) Non Current

₹ in Million

	Face value (₹)	Qty	Amount	Qty	Amount
		As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
Shares in Co-operative Societies (unquoted) (at Fair Value)					
Charotar Gas Sahakari Mandli Ltd.	500.00	10	0.01	10	0.01
Equity Shares (quoted)					
Futura Polyster Ltd *	10.00	100	-	100	-
Government Securities (quoted) (at Fair Value)					
Indian Railway Finanace Corp. Bonds	1,000.00	4,350	4.69	4,350	4.70
Total Investments			**4.70**		**4.71**
Aggregate amount of quoted investments			4.69		4.70
Aggregate amount of unquoted investments			0.01		0.01
(* Unit 100 and Value ₹ 385/-)					

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

(ii) Current

₹ in Million

	Face value	No. of Units	Amount	No. of Units	Amount
		As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
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	50,47,117	70.88	50,47,117	68.99
ICICI Prudential Short term - Growth Option	10.00	13,69,318	57.74	13,69,318	52.88
Tata Short Term Bond Fund Regular Plan - Growth	10.00	13,58,581	48.06	13,58,581	44.11
Aditya Birla Sun Life Short Term Opportunities fund Regular Plan - Growth	10.00	30,97,541	102.76	30,97,541	95.71
Reliance Strategic Debt Fund- Growth Plan	10.00	-	-	57,77,592	84.95
L&T Credit Risk Fund - Growth	10.00	25,07,165	54.24	25,07,165	52.85
IDFC Money Manager Fund Daily Dividend - (Regular Plan) (formerly known as IDFC Money Manager Fund- Treasury Plan-Daily Dividend - (Regular Plan))	10.00	-	-	13,40,723	13.54
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	76,634	19.19
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan (formerly known as Aditya Birla Sun Life Cash Plus)	10.00	-	-	1,32,962	39.76
Aditya Birla Sun Life Credit Risk Fund - Growth Regular - (Segregated Portfolio 1)	10.00	50,47,117	2.10	-	-
Nippon India Strategic Debt Fund - Segregated Portfolio 1 - Growth Plan *	10.00	42,43,461	0.22	-	-
Nippon India Strategic Debt Fund - Segregated Portfolio 2 - Growth Plan *	10.00	42,43,461	-	-	-
			356.63		**471.98**

* 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, 2020	As at March 31, 2019
Fianancial assets carried at fair value through profit or loss (FVTPL)		
i) Mandatorily measured at FVTPL (Investment in mutual fund)	356.63	471.98
ii) Designated as at FVTPL (Investment in equity instruments and government securities)	4.70	4.71
	361.33	**476.69**

10 LOANS

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Current		
(Unsecured)		
Loans to related party	168.76	79.07
Loans to employees	0.97	0.66
	169.73	**79.73**

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

11 OTHER FINANCIAL ASSETS

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Non Current		
Security Deposits (including considered doubtful as at 31.03.20 ₹ 0.69 million and as at 31.03.19 ₹ 0.69 million)	28.00	16.59
Less : Provision for doubtful security deposits	0.69	0.69
	27.31	**15.90**
Margin Money Deposit with Bank for more than twelve months maturity (lodged against bank guarantee and letter of credit)	0.47	3.97
	27.78	**19.87**
(ii) Current		
Accured income	1.89	1.74
Unbilled Revenue (Net of Advance from Customers)	421.32	234.27
	423.21	**236.01**

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Contracts in Progress at the end of reporting Period		
1. Contract Revenue Recognised as per Percentage of Completion Method	204.02	(70.32)
2. Cotract Cost Incurred upto the reporting date	174.24	(96.00)
3. Recognised Profit (1-2)	**29.78**	**(25.68)**
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	568.73	289.11
(ii) Amounts due to Customers under construction contracts	-	-
6. Retentions held by customer		
7. Advances received from customers	147.41	105.60

12 (CURRENT TAX LIABILITIES) /NON-CURRENT TAX ASSETS

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax	535.39	334.75
Advance payment of Tax	541.16	311.73
	5.77	**(23.02)**

13 OTHER ASSETS

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Non Current		
Capital Advances (Unsecured, Considered Good)	3.52	32.66
Balances with indirect tax authorities	3.05	3.05
	6.57	**35.71**
(ii) Current		
Balances with indirect tax authorities	94.83	25.77
Prepaid expenses	18.98	17.04
Advance to suppliers (Unsecured, Considered Good)	57.59	6.40
Employee Advances	0.76	0.41
Export benefit receivable	0.22	1.22
Others	12.06	26.22
	184.44	**77.06**

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

14 INVENTORIES

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
(Valued at lower of cost or net realisable value)		
Raw materials (including in transit as at 31.03.20 ₹ 6.08 million and as at 31.03.19 ₹ 8.25 million)	517.82	498.60
Work-in-progess	574.11	548.73
Finished goods (including in transit as at 31.03.20 ₹ 18.74 million and as at 31.03.19 ₹ 2.90 million)	118.26	67.57
Stores and spares	48.05	39.65
	1,258.24	**1,154.55**

15 TRADE RECEIVABLES

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured		
Considered good	822.72	737.77
Trade Receivable which have significant increase in Credit risk	-	-
Trade Receivable - credit impaired	-	-
	822.72	**737.77**
Less : Allowance for doubtful debts	79.43	65.72
	743.29	**672.05**

Movement in the expected credit loss allowance

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Balance at beginning of the year	65.72	55.97
Add: Provision made during the year	27.78	35.00
Less: Provision used during the year	14.11	25.33
Add/(Less): Exchange difference on restatement of Provision	0.04	0.08
Balance at the end of the year	79.43	65.72

16 CASH AND BANK BALANCES

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and Cash Equivalents		
Balances with banks		
- In current accounts	242.42	578.56
- In deposit accounts with maturity less than three months	234.60	175.00
Cash and stamps on hand	0.73	0.60
	477.75	**754.16**
Other Bank Balances		
- Margin money deposits (lodged against bank guarantee and letter of credit)	283.62	1.37
- In unpaid dividend accounts - Earmarked balances	2.52	2.46
	286.14	**3.83**

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

17 EQUITY SHARE CAPITAL

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
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, 2020	As at March 31, 2019
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 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, 2020		As at March 31, 2019	
	No. of Shares	% holding	No. of Shares	% holding
Pfaudler Inc (Parent Company)	73,72,475	50.44%	73,72,475	50.44%
Millars Machinery Co. Pvt. Limited	16,25,595	11.12%	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.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

18 OTHER EQUITY

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
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**
Foreign Currency Translation Reserve		
Balance at the beginning of the year	167.14	154.62
Movement during the year	77.77	12.52
Balance at the end of the year	**244.91**	**167.14**
General Reserve:		
Balance at the beginning of the year	219.36	220.84
Adjustment due to liquidation	-	1.48
Balance at the end of the year	**219.36**	**219.36**
Surplus in Statement of Profit and loss		
Balance at the beginning of the year	**2,123.56**	**1,722.82**
Add : Net Profit for the year	742.91	488.57
Less : Appropriations	-	-
Interim Dividend [Dividend Per Share ₹ 3, (Previous Year ₹ 3)]	43.85	43.85
Final Dividend [Dividend Per Share ₹ 1.5, (Previous Year ₹ 1.9)]	21.93	27.77
Tax on distributed profits	13.52	14.72
Transition Impact of Ind AS 116	1.39	
Transfer to General Reserve	-	-
Adjustment due to liquidation	-	1.49
Balance at the end of the year	**2,785.78**	**2,123.56**
	3,400.04	**2,660.05**

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

This reserves represents Security Premium received at the time of issuance of Equity Shares.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

19 LEASE LIABILITIES

₹ in Million

Particulars	As at March 31, 2020
Non Current	176.59
Current	55.40
	231.99

The Group has adopted Ind AS 116, w.e.f. April 1, 2019 and applied the standard to its leases, using the modified retrospective method. The cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

On transition, the Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of ₹ 262.44 million and a corresponding lease liability of ₹ 264.31 million has been recognized. The cumulative effect on transition in retained earnings is ₹ 1.87 million (including a deferred tax of ₹ 0.48 million).

(i) Movement In Lease Liabilities

₹ in Million

Particulars	As at March 31, 2020
Opening Balance	-
Add: Addition Made During the year	276.39
Add: Finance cost accrued during the year	20.74
Less: Payment of Lease Liabilities	65.14
Closing Balance	231.99

(ii) The contractual maturities of Lease liabilities are as under on undiscounted basis:

₹ in Million

Particulars	As at March 31, 2020
Payable within one year	75.75
Payable later than one year and not later than five years	205.31
Payable after five years	-
(iii) Lease payments recognised for short term leases in Statement of Profit and Loss during the year 2019-20 (Refer Note:32)	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.

20 DEFERRED TAX LIABILITIES

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	(31.59)	(37.21)
Deferred tax liabilities	81.71	82.41
Net Deferred Tax Liability	**50.12**	**45.20**

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:

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax liabilities	50.12	53.40
Deferred Tax assets	-	8.20
	50.12	**45.20**

₹ in Million

Particulars	2019-20						2018-19				
	Opening Balance	Charged to / (Reversed from) Statement of P & L	Impact on account of Ind AS 116	Recognised in Other Comprehensive Income	Foreign Exchange Difference	Closing Balance	Opening Balance	Charged to / (Reversed from) Statement of P & L	Recognised in Other Comprehensive Income	Foreign Exchange Difference	Closing Balance
Deferred tax liabilities/ (assets) in relation to:											
Property, Plant and Equipment	48.91	(1.26)	-	-	-	47.65	46.92	1.99	-	-	48.91
Investments classified as FVTPL	17.79	(1.64)	-	-	-	16.15	12.60	5.19	-	-	17.79
Provision for Doubtful debt	(12.49)	2.77	-	-	-	(9.72)	(10.17)	(2.32)	-	-	(12.49)
Lease Liabilities	-	(2.59)	(0.48)	-	-	(3.07)	-	-	-	-	-
Warranty Provision	1.85	(0.03)	-	-	-	1.82	-	1.85	-	-	1.85
Provision for Employee Benefit	(24.72)	(1.27)	-	7.19	-	(18.80)	(7.99)	(13.35)	(3.11)	(0.27)	(24.72)
Unrealised Profit in Inventory	-	-	-	-	-	-	(1.90)	1.90	-	-	-
Other Temporary differences	13.86	2.44	-	-	(0.21)	16.09	5.77	7.87	-	0.22	13.86
	45.20	**(1.58)**	**(0.48)**	**7.19**	**(0.21)**	**50.12**	**45.23**	**3.13**	**(3.11)**	**(0.05)**	**45.20**

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

(a) Numerical Reconciliation between average effective tax rate and applicable tax rate :

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Profit Before tax from Continuing Operations	**922.88**	**732.70**
Income Tax using the Company's domestic Tax rate #	236.53	256.03
Tax Effect of :		
- Non deductible Expenses	59.83	41.21
- Tax - Exempt income	-	-
- Deduction on account of Expenses allowable in Tax but not claimed in book	(62.95)	(42.66)
- Tax impact on Income charged under Capital Gain	-	(5.15)
- Changes in recognised deductible temporary differences	16.05	(1.55)
- Changes in recognised deductible temporary differences due to change in tax rate	(18.11)	4.68
- Tax impact on notional income / expense	(4.43)	(5.25)
- Difference between Indian Tax Rate and Foreign Tax Rate	(15.35)	(20.42)
Income Tax recognised In Statement of P&L from Continuing Operations (Effective Tax Rate)	**211.57**	**226.89**

The Tax rate used for Financial Year 2019-20 and 2018-19, in reconciliation above is the corporate tax rate of 25.63% and 34.994% payable by corporate entity in India on taxable profits under the Indian Tax Law.

(b) Income Tax Expense

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax:		
Current Income Tax Charge	213.15	223.76
Deferred Tax		
Deferred Tax Charge for the year	(1.58)	3.13
Total Tax Expense recognised in profit and loss account	**211.57**	**226.89**

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 ₹ 473.62 Million (31 March, 2019 ₹ 344.99 Million).

21 BORROWINGS

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured		
Working Capital Loans (Refer Note below)	112.26	-
	112.26	**-**

Note: Working Capital Loans include Cash Credit from Banks and Working Capital Demand Loans that are repayable on demand and carries interest rate of 8.50% p.a

22 TRADE PAYABLES

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
- Dues to Micro, Small and Medium Enterprises (Refer Note 41)	20.95	33.57
- Dues to other than Micro, Small and Medium Enterprises	620.57	605.53
	641.52	**639.10**

23 OTHER FINANCIAL LIABLITIES

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Unclaimed dividend (Refer Note below)	2.52	2.46
Payables for Capital Expenditure	2.06	14.42
Employee benefits payable	131.02	76.71
	135.60	**93.59**

The amount of Unclaimed Dividend reflects the position as at March 31, 2020. During the year, the company has transferred an amount of ₹ 0.27 Millions (Previous year ₹ 0.26 Millions) to the Investors' Education and Protection Fund in accordance with the provisions of section 125 of the Companies Act, 2013.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

24 PROVISIONS

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Provision for employee benefits (Note (i))	134.34	154.50
	134.34	**154.50**
Current		
Provision for employee benefits (Note (i))	21.03	8.57
Provision for unexpired warranty (Note (ii))	27.15	21.48
	48.18	**30.05**

Note

(i) Provision for employee benefits includes amount payable to employees on account of Gratuity , Pension and compensated absences. Movement of Provision for employee benefits is disclosed under Note 34.

(ii) As per the contractual terms with customers, group provides warranty to the customers for 18 months from date of sales or 12 months from date of installation w.e.earlier. The provision is made for such returns/rejections on the basis of historical warranty trends as per the policy of the group.

Provision for unexpired warranty

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	**21.48**	**19.84**
Add: Additional provision made during the year	22.68	12.79
Add: Exchange difference on restatement of warranty provision	0.82	0.10
Less: Provision amount used during the year	17.83	11.25
Closing balance	**27.15**	**21.48**

25 OTHER LIABILITIES

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Advances from customers	640.74	651.66
Statutory dues payable	10.91	9.20
	651.65	**660.86**

26 REVENUE FROM OPERATIONS

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Sale of Products	5,865.29	4,954.22
Other Operating Revenues	45.43	72.21
	5,910.72	**5,026.43**

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

Disaggregate Revenues from contracts with customer:

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Glass lined equipment	3,547.41	2,850.05
Revenue from Heavy Engineering	502.16	553.44
Revenue from Proprietary Product	1,861.15	1,622.94
	5,910.72	**5,026.43**

Reconciliation of Revenue from operations with contract price:

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contract Price	**5,948.61**	**5,072.90**
Less : Adjustment made to contract price on account of:		
Sales Return	13.69	26.19
Excise duty on sale of goods	-	-
Liqudated Damages	24.20	20.11
Discount and Rebates	-	0.17
	5,910.72	**5,026.43**

27 OTHER INCOME

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income (Gross)		
- Non - current investments	0.35	0.35
- Deposits with banks	3.96	4.10
- Others	0.39	0.31
Dividend Income		
- Current Investments	0.03	0.10
Net Gain/ (Loss) on Sale of Investments		
- Non-Current Investments	-	2.97
- Current Investments	-	10.06
Net Gain/ (Loss) on Investments Classified as FVTPL		
- Non-Current Investments	-	(2.12)
- Current Investments	12.12	14.91
Other non-operating income		
- Bad Debts Recovered	-	0.55
- Profit on sales of fixed assets (Net)	-	18.17
- Miscellaneous Income	31.25	33.93
Net gain on foreign exchange translations	9.47	1.17
Total	**57.57**	**84.50**

28 COST OF MATERIALS CONSUMED

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock of Raw Materials	538.25	391.49
Add: Purchases during the year	2,647.92	2,527.30
	3,186.17	**2,918.79**
Less: Closing stock of Raw Materials	565.87	538.25
Total	**2,620.30**	**2,380.54**

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

29 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Inventory of finished good at the beginning of the year	67.57	130.86
Inventory of work in progress at the beginning of the year	548.73	434.06
	616.30	**564.92**
Inventory of finished good at the closing of the year	118.26	67.57
Inventory of work in progress at the closing of the year	574.11	548.73
	692.37	**616.30**
	(76.07)	**(51.38)**

30 EMPLOYEE BENEFITS EXPENSE

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and Wages	770.51	651.45
Contribution to Provident and Other Funds	87.36	58.66
Staff Welfare Expenses	21.91	15.99
Total	**879.78**	**726.10**

31 FINANCE COSTS

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense	2.97	1.72
Other financial charges	11.19	10.00
Interest on Lease Liabilities (Refer Note 19)	20.74	-
Total	**34.90**	**11.72**

32 OTHER EXPENSES

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Power & Fuel	256.96	223.63
Stores & Spares Consumption	227.67	117.94
Repairs to Machinery	71.61	48.01
Repairs to Buildings	13.86	10.71
Repairs- Others	5.16	9.54
Rent (Refer Note 19)	23.18	56.49
Insurance	14.23	12.27
Rates & Taxes	3.07	3.09
Royalty	29.97	24.71
Travel & Conveyance	54.75	52.22
Communication	13.95	11.71
Bad debts written off	0.01	4.75
Provision for doubtful debts and advances	3.56	7.12
Provision for Warranty expenses	4.94	2.40
Loss on Sale of Fixed Assets	2.47	-
Net Loss on Sale of Investments - Current Investments	7.97	-
Net Loss on Investments Classified as FVTPL - Non Current Investments	0.01	-
Advertisement and sales promotion	20.43	15.91
Commission	4.40	1.96
Legal and professional fees	52.55	51.73
Freight outward	105.83	84.68
Payments to auditors	8.25	9.11
Expense on CSR activities	9.44	7.38
Miscellaneous Expenses	87.19	90.37
	1,021.46	**845.73**

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

33 CONTINGENT LIABILITIES AND COMMITMENTS

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
1) Contingent Liabilities		
a) Claim against the group not acknowledged as debts		
i) Dispute relating to Excise, Service tax and Sales tax, During FY 19-20, Company have settled all excise related pending cases under Sabka Vishwas disput resolution scheme through 30% duty payment on demand raised. Related to service tax matter, company has preferred appeal against order for payement under RCM. Management will reasonbly confindent that no liability will devolve on company and hence no liabilities have recognized in the books of account. In Sales Tax matter, Company has filed appeal against Assessment order. The management is reasonbly confident that no liability will be arise in future and hence no provision is made in books of account.	11.70	23.36
ii) Matter decided in favour of the company where the income tax department has preferred appeals. During the year, the company has received Order from ITAT Ahmedabad, for AY 10-11 in which ITAT has set aside the issue to CIT (Appeal). In AY 11-12 & 12-13, Departement has preferred appeal before ITAT Ahemadabad againt order passed by CIT (Appeal) in respect of upward adjustment in Arm Lengh Price. The management is reasonbly confident that no liability will be arise in future and hence no provision is made in books of account.	52.68	55.04
iii) Disputed demands relating to tax against which the Company has preferred appeals. During the year, the company has received Order from ITAT Ahmedabad, for AY 10-11 in which ITAT has set aside the issue to CIT (Appeal). The company has filed Misc. application against this order. In AY 11-12 & 12-13,Company has preferred appeal before ITAT Ahemadabad againt order passed by CIT (Appeal) in respect of confirming ajdustment in Arm Lengh Price. In AY 13-14, Education expenditure has been disallowed in Order passed under Sec 143(3) of IT Act. Company has preferred appeal before CIT (Appeal) against this addition. In AY 17-18, Commission paid to non-resident have been disallowed due to non deduction of TDS. Company has preferred appeal before CIT (Appeal) against this addition. The management is reasonbly confident that no liability will be arise in future and hence no provision is made in books of account.	9.40	11.21
Note: Against the above, the company has paid ₹ 4.94 Millions. The expected outflow will be determined at the time of final outcome in respect of concerned matter.		
b) Guarantee issued by bank	974.62	544.77
2) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	162.39	149.80

34 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	March 31, 2020	March 31, 2019
Employer's contribution to Provident Fund	14.01	10.39
Employer's contribution to Superannuation Fund	3.05	4.47
Employer's contribution to Pension Scheme	7.23	6.06

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

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.

The amounts recognized in the Group's financial statements as at the year end are as under:

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 plan , the most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at March 31,2020. 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:

₹ in Million

Particulars	March 31, 2020	March 31, 2019
Pension Scheme		
Assumptions :		
Discount Rate	0.60%	0.55%
Salary Increase	0.50%	1.00%
Inflation Rate	0.50%	1.00%
Interest on Old age Account	0.60%	0.55%
Lump sum Payments at retirement	30.00%	30.00%
Mortality Rate	BVG2015GT	BVG2015T
Disability Rate	BVG2015	BVG2015
Reconciliation of Funded Status :		
Present Value of funded obligation	849.71	726.09

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

Plan Assets at fair value	(715.37)	(571.59)
Under / (Over) funding :	**134.34**	**154.50**
Present value of unfunded obligation	-	-
Asset not available to Group	-	-
Net Liability / (asset)	**134.34**	**154.50**
Net Liability reduced due to risk sharing	**25.99**	**28.99**
Major Asset Categories :		
Qualified Insurance Policy		-
Equities	213.90	17.15
Bonds	256.03	257.18
Real Estate	166.25	108.59
Alternative Investment	31.55	34.29
Cash	17.24	91.52
Others	30.40	62.86
Total	**715.37**	**571.59**
Components of the Defind Benefit Obligation :		
Defined benefit obligation for active employee	676.11	610.58
Defined benefit obligation for vested terminations	-	-
Defined benefit obligation for vested pensioners	173.60	115.51
Total	**849.71**	**726.09**
Projected Contribution for next year	16.58	16.89
Expenses Recognized :		
In Profit & Loss	26.97	23.51
In Other Comprehensive Income	(45.70)	19.45
	(18.73)	**42.96**

Sensitivity analysis for each significant actuarial assumption as at March 31, 2020

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

Particulars	March 31, 2020
Projected Benefit obligation on current assumption	
Impact of increase in discount rate by 0.25%	(31.53)
Impact of decrease in discount rate by 0.25%	33.86
Impact of increase in salary escalation rate by 0.5%	2.96
Impact of decrease in salary escalation rate by 0.5%	**(2.91)**

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

34 AS PER IND AS 19 "EMPLOYEE BENEFITS", THE DISCLOSURES AS DEFINED IN THE ACCOUNTING STANDARD ARE GIVEN BELOW: (CONTD.)

₹ in Million

		Gratuity (Funded)		Compensated Absences (Funded)	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
a	**Assumptions :**				
	Discount Rate	6.82%	7.79%	6.82%	7.79%
	Rate of Return on Plan Assets	6.82%	7.79%	6.82%	7.79%
	Salary Escalation	6.0%	6.0%	6.0%	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	6.35 Years	6.46 Years	6.67 Years	6.46 Years
	Average Age	36.31 Years	36.10 Years	36.31 Years	36.10 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	52.50	47.12	21.22	18.56
	Interest cost	4.09	3.71	1.65	1.46
	Current service cost	4.60	4.19	1.98	1.68
	Liabilities Transferred in/ Acquisition	3.04	-	1.63	-
	Benefit paid	(2.82)	(2.82)	(1.50)	(1.92)
	Actuarial (gains) and loss arising from changes in demographic assumptions	-	-	-	-
	Actuarial (gains) and loss arising from changes in financial assumptions	6.48	0.40	3.48	0.20
	Actuarial (gains) and loss arising from experience adjustments	-	(0.10)	2.10	1.24
	Liability at the end of the year	**67.89**	**52.50**	**30.55**	**21.22**
c	**Change in Plan Assets:**				
	Fair value of Plan Assets at the beginning of the year	47.83	41.22	17.32	15.26
	Expected Return on Plan Assets	3.73	3.24	1.36	1.20
	Assets Transferred in/ Acquisition	3.04	-	-	-
	Contributions	5.08	6.79	3.91	2.99
	Benefit Paid	(2.82)	(2.82)	(1.50)	(1.92)
	Actuarial gain / (loss) on Plan Assets	(0.42)	(0.60)	(0.12)	(0.21)
	Fair value of Plan Assets at the end of the year	**56.44**	**47.83**	**20.97**	**17.32**
d	**Actual Return on Plan Assets:**				
	Expected Return on Plan Assets	3.73	3.24	1.36	1.20
	Actuarial gain on Plan Assets	(0.42)	(0.60)	(0.12)	(0.21)
	Actual Return on Plan Assets	**3.31**	**2.64**	**1.24**	**0.99**
e	**Amount Recognized in the Balance Sheet:**				
	Present value of Funded defined benefit obligation at the end of the year	67.89	52.50	30.55	21.22
	Fair value of Plan Assets at the end of the year	56.44	47.83	20.97	17.32
	Net (Liability)/Asset Recognized in the Balance Sheet	**(11.45)**	**(4.67)**	**(9.58)**	**(3.90)**

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

34 AS PER IND AS 19 "EMPLOYEE BENEFITS", THE DISCLOSURES AS DEFINED IN THE ACCOUNTING STANDARD ARE GIVEN BELOW: (CONTD.)

₹ in Million

		Gratuity (Funded)		Compensated Absences (Funded)	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
f	**Expenses Recognized in the Statement of Profit & Loss :**				
	Current Service cost	4.60	4.19	1.98	1.68
	Interest Cost	0.36	0.47	0.29	0.26
	Net Actuarial (gain) / loss to be recognized	6.90	0.90	5.69	1.65
	Expense / (Income) Recognized in Statement of Profit & Loss	**11.86**	**5.56**	**7.96**	**3.59**
g	**Balance Sheet Reconciliation:**				
	Opening Net Liability	4.67	5.90	3.90	3.30
	Expenses recognised in Statement of Profit & Loss	4.96	4.66	7.96	3.59
	Net Liability Transfer In	-	-	1.63	-
	Expenses recognised in OCI	6.90	0.90	-	-
	Employers Contribution	(5.08)	(6.79)	(3.91)	(2.99)
	Net Liability / (Assets) Recognized in Balance Sheet	**11.45**	**4.67**	**9.58**	**3.90**
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	-	(0.10)	2.09	1.24
	Actuarial (Gains)/Losses on Plan Assets - Due to Experience	0.42	0.60	(0.12)	(0.21)
j	**Projected Contribution for next year**	15.13	9.26	12.25	5.87
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

Particulars	March 31, 2020	March 31, 2019
Projected Benefit obligation on current assumption	67.89	52.50
Impact of increase in discount rate by 1%	(6.67)	(4.58)
Impact of decrease in discount rate by 1%	7.99	5.44
Impact of increase in salary escalation rate by 1%	7.98	5.48
Impact of decrease in salary escalation rate by 1%	(6.77)	(4.69)
Impact of increase in rate of employee turnover by 1%	0.43	0.79
Impact of decrease in rate of employee turnover by 1%	(0.51)	(0.91)

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, 2020 (Contd.)

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 ₹ in Million

	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Insurance Fund	56.44	47.83	20.97	17.32
Total	**56.44**	**47.83**	**20.97**	**17.32**

m Maturity Profile

₹ in Million

Particulars	Gratuity	
	As at March 31, 2020	As at March 31, 2019
1st Following Year	8.34	8.09
2nd Following Year	2.80	1.16
3rd Following Year	3.58	5.07
4th Following Year	3.38	3.08
5th Following Year	4.53	2.33
Sum of Years 6 to 10	20.79	19.69
Sum of Years 11 and above	130.27	103.21

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.

35 FINANCIAL INSTRUMENTS :

35.1 Capital Management

The entity manages its capital to ensure that entity will be able to continue as going concern while maximising the return to stakeholders through the optimisation of Total Equity balance.

The Group was debt free in the previous year and the Group has availed unsecured working capital borrowing as at year end and hence its capital structure consists of own equity and borrowing in the current year. The Gearing Ratio of the Group for the year ended 31.03.20 as well as 31.03.19 comes to 3.17% and NIL respectively.

The Group is not subject to any externally imposed capital requirement.

35.2 Categories of Financial Instruments :

₹ in Million

Particulars	As At March 31, 2020	As At March 31, 2019
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured		
(i) Investment in mutual fund	356.63	471.98
(b) Designated as at FVTPL		
(i) Investment in equity instruments	4.70	4.71
Measured at amortised cost		
(a) Cash and bank balances	763.88	757.99
(b) Other financial assets at amortised cost		
(i) Trade Receivables	743.29	672.05
(ii) Loans	169.73	79.73
(iii) Others	450.99	255.88
Financial liabilities		
Measured at amortised cost		
Borrrowings	112.26	-
Lease Liablities	231.99	-
Trade Payables	641.52	639.10
Others	135.60	93.59

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

35.3 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.

35.3.1 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.

Since a major part of the group's revenue and its costs are in Indian Rupees , any movement in currency rates would not have major impact on the group'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, 2020	March 31, 2019
Trade Payable (Net of advances)*	USD	0.06	(0.68)
	EUR	(5.01)	(3.05)
	CHF	0.98	-
	GBP	(0.32)	-
Cash & Cash Equivalents**	USD	10.93	16.60
	EUR	28.15	10.97
Trade Receivable (Net of advances)	USD	2.57	2.08
	EUR	9.21	12.93
	CHF	(6.77)	-

* The value of INR equivalent to GBP is 197 in Previous Year

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 ₹ 1.99 million (₹ 1.94 million) in the Company's net profit for the year ended March 31, 2020 and March 31, 2019 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 ₹ 112.26 million and Nil at the end of March, 31 2020 and March 31, 19 respectively. The impact of 5% increase/decrease in interest rates would result in nominal increase/decrease in the Group's profit.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

35.3.1 FINANCIAL RISK MANAGEMENT OBJECTIVES (CONTD.)

(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, 2020 would increase/decrease by ₹ 18.07 millions (for the year ended March 31, 2019 by ₹23.83 millions) as a result of the change in fair value of investments.

35.3.2 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 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, 2020		Year ended March 31, 2019	
	% of total receivables	(Amount in ₹)	% of total receivables	(Amount in ₹)
Deccan Fine Chemicals (I) Pvt. Ltd.	26%	17,86,84,891	11%	6,25,58,728
P.I.Industries Ltd.	7%	4,71,67,007	2%	1,21,38,721
Hemani Industries Limited	5%	3,24,55,957	1%	83,32,141
MSN Laboratories Private Limited	1%	46,78,389	8%	4,34,67,932
Divi's Laboratories Limited	1%	56,67,365	6%	3,40,63,934

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹2489.23 millions and ₹ 2242.33 millions as at March 31, 2020 and March 31, 2019 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.

35.3.3 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

35.3.3 LIQUIDITY RISK MANAGEMENT (contd.)

₹ in Million

Particulars	Up to 1 Year	1 to 5 years	5 years and above
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**	**-**
As at March 31, 2019			
Trade payable	639.10	-	-
Other Financial Liabilities	93.59	-	-
Total	**732.69**	**-**	**-**

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	Less than 1 month	1 to 5 years	5 years and above
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	-
Non current Financial assets - Loans	-	-	-
Other Non current Financial assets	-	27.78	-
Total	**2456.75**	**32.48**	-
As at March 31, 2019			
Current Investments	471.98	-	-
Trade receivables	672.05	-	-
Cash & Cash equivalents	754.16	-	-
Bank balances other than above	3.83	-	-
Current Financial assets-Loans	79.73	-	-
Other Financial Assets	236.01	-	-
Non current Investments	-	4.71	-
Non current Financial assets - Loans	-	-	-
Other Non current Financial assets	-	19.87	-
Total	**2,217.76**	**24.58**	**-**

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

36 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

₹ in Million

Financial Assets / financial liabilities	Fair Value as at			
	March 31, 2020	March 31, 2019	Fair Value hierarchy	Valuation technique(s) and key input(s)
1. Investments in Mutual Funds (Note 9)	356.63	471.98	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)	4.69	4.70	Level 1	Quoted bid prices in an active market

Note 1: Significant unobservable inputs for Financial Instruments classified under "Level - 3" Fair Value hierarcy 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, 2018	0.01
Total Gain/(Loss) in statement of P & L	-
Closing Balance as at March 31, 2019	**0.01**
Opening Balance as at 1st April, 2019	**0.01**
Total Gain/(Loss) in statement of P & L	-
Closing Balance as at March 31, 2020	**0.01**

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

37 RELATED PARTY DISCLOSURES

(I) List of Related parties

(a) Parties where control exists:		
(i) Ultimate Holding Company	:	Pfaudler International s.a.r.l.
(ii) Holding Company	:	Pfaudler Inc.
(b) Fellow Subsidiaries	:	Pfaudler GmbH
		Pfaudler Balfour Ltd.
		Edlon PSI Inc.
		Suzhou Pfaudler Glass Lined Equipment Co. Ltd.
		Glass Steel Parts and Services
		Pfaudler s.r.l.
		Pfaudler Limited
		Pfaudler Rochester, USA
		Pfaudler Process Solution Group U.K. Limited
		Pfaudler Ltd. A Brazil
		Normag Labournd Prozees Technik GmbH
		Interseal Dipl. - Ing. Rofl Schmitz GmbH
		Pfaudler Service Benelux BV
(c) Key management personnel	:	Mr. Tarak Patel – Managing Director
		Mr. Ashok Pillai – Chief Operating Officer
		Mr. Jugal Sahu – Chief Financial Officer
		Ms. Mittal Mehta – Company Secretary
(d) Relative of Key management personnel	:	Mr. Ashok Patel (Father of Mr. Tarak Patel)
		Mrs. Urmi Patel (Mother of Mr. Tarak Patel)
		Mrs. Uttara Gelhaus (Sister of Mr. Tarak Patel)
		Mrs. Payal Patel (wife of Mr. Tarak 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
		J V Patel & Co.
		Oerlikon Textiles (I) Pvt. Ltd.

37 RELATED PARTY DISCLOSURES (CONTD.)

(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, 2020	For the Year ended March 31, 2019	For the Year ended March 31, 2020	For the Year ended March 31, 2019	For the Year ended March 31, 2020	For the Year ended March 31, 2019	For the Year ended March 31, 2020	For the Year ended March 31, 2019	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Purchase of goods	1.23	20.35	75.90	46.92	-	-	-	-	6.68	6.95
Sale of goods	202.33	150.29	158.05	129.24	-	-	-	-	-	-
Services received	2.44	0.76	0.08	0.11	-	-	-	-	-	0.65
Services provided	5.89	-	4.47	0.22	-	-	-	-	-	-
Royalty	29.97	24.71	-	-	-	-	-	-	-	-
Lease Rent paid	-	-	-	-	-	-	-	-	57.23	44.80
Remuneration	-	-	-	-	69.50	54.28	12.61	12.00	-	-
Dividend paid	33.18	36.13	-	-	0.79	0.86	3.59	3.91	2.39	2.60
Directors Sitting Fees	-	-	-	-	3.90	1.70	-	-	-	-
Loan Given	-	-	168.76	79.07	-	-	-	-	-	-
Advance Received	0.05	35.24	10.56	3.09	-	-	-	-	-	-
Advance Given	-	-	11.31	-	-	-	-	-	-	-
Commission Payment	-	-	-	-	-	-	-	-		
Repayment of Loan	-	-	-	-	-	1.19	-	-	-	-
Balance outstanding#										
Payables	-	21.85	9.74	9.59	36.41	27.48	-	-	-	0.09
Receivables	20.95	8.38	26.27	44.26	-	-	-	-	-	-
Loan Given	-	-	168.76	79.07	-	-	-	-	-	-
Advance Received	0.05	35.24	10.56	3.09	-	-	-	-	-	-
Advance Given	-	-	11.31	-	-	-	-	-	-	-
Deposit outstanding	-	-	-	-	-	-	-	-	23.70	21.80

Balance outstanding are exclusive of unrealised foreign exchange gain / (loss)

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

37 RELATED PARTY DISCLOSURES (CONTD.)

(III) Significant Related Party Transactions are as under:

₹ in Million

Nature of transactions	Name of Party	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of goods	Pfaudler GmbH	27.71	30.80
	Pfaudler Inc.	1.23	20.35
	Oerlikon Textile India Pvt. Ltd	6.68	6.95
	Pfaudler s.r.l.	0.07	4.37
	Pfaudler Interseal GmbH	38.64	8.73
	Pfaudler Normag GmbH	8.76	-
Sale of goods	Pfaudler GmbH	22.53	35.23
	Suzoh Pfaudler Glass Lined Equipment Co. Ltd	38.33	31.06
	Pfaudler Inc.	202.33	150.29
	Pfaudler Limited	0.97	26.71
	Pfaudler s.r.l	57.58	26.38
Services received	Pfaudler Inc.	2.44	0.76
	Oerlikon Textile India Pvt. Ltd.	-	0.65
Services provided	Pfaudler GmbH	-	0.22
	Suzhou Pfaudler Glass Lined Equipment Co. Ltd.	4.13	-
	Pfaudler Inc.	5.89	-
Lease rent paid	Ready Mix Concrete Ltd.	28.89	32.51
	J V Patel & Co.	27.22	11.21
Royalty	Pfaudler Inc.	29.97	-
Remuneration paid	Mr. Ashok Patel	12.61	12.00
	Mr. Tarak A. Patel	44.59	33.65
	Mr. Ashok Pillai	11.45	10.71
	Mr. Jugal Sahu	8.20	7.93
Dividend paid	Pfaudler Inc.	33.18	36.13
Balances outstanding as on March 31, 2020			
Payables	Pfaudler GmbH	7.37	7.24
	Pfaudler Inc.	-	21.85
	Pfaudler Interseal GmbH	2.37	-
Receivables	Pfaudler s.r.l.	9.38	16.85
	Suzhou Pfaudler Glass Lined Equipment Co. Ltd.	0.70	27.37
	Pfaudler Inc.	20.95	8.38
Advance Received against order	Pfaudler Inc.	0.05	35.24
	Pfaudler s.r.l	10.56	-
Advance Given against order	Pfaudler Normag System GmbH	11.31	-
Loan Given	Pfaudler GmbH	168.76	79.07
Deposit outstanding	Ready Mix Concrete Ltd.	12.30	10.40
	J V Patel & Co.	11.40	11.40
Key Managerial Personal			
Payable	Mr. Tarak A. Patel	32.25	22.92
	Mr. Ashok Pillai	2.70	3.00
	Mr. Jugal Sahu	1.05	1.39

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, 2020	Year ended March 31, 2019
Short-term employee benefits	66.49	53.25
Post-employment benefits	2.89	2.62
Other long-term benefits	0.12	0.11
Termination benefits		-
Share-based payment		-
Total	**69.50**	**55.98**

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

38 SEGMENT REPORTING

(a) Primary Segment reporting by Business Segment

₹ in Million

Particulars	Glasslined Equipment		Heavy Engineering		Proprietary Product		Total	
Year Ended	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue :								
Total External Sales	3,547.41	2,850.05	502.16	553.44	1,861.15	1,622.94	5,910.72	5,026.43
Segment Results:								
Profit/(Loss) Before Tax and Interest	795.82	556.04	51.76	64.21	247.58	197.97	1,095.16	818.22
Unallocated Expense(Net)							142.08	78.56
Add: Interest Income							4.70	4.76
Less: Interest Expense							34.90	11.72
Profit/(Loss) Before Tax							922.88	732.70
Taxes							211.57	226.89
Net Profit After Tax							711.31	505.81
Segment Assets	1,587.96	1,449.68	831.60	424.53	1,920.84	1,359.89	4,340.40	3,234.10
Unallocated Assets							1,094.53	1,109.70
Total Assets							5,434.93	4,343.80
Segment Liabilities	800.40	795.18	150.18	153.29	822.00	625.40	1,772.58	1,573.87
Unallocated Liabilities							233.07	80.65
Total Liabilities							2,005.66	1,654.52
Capital Expenditure	150.06	118.24	106.39	19.26	311.60	26.65	568.05	164.15
Unallocated Capital Expenditure							56.28	15.87
Depreciation	89.44	70.57	18.56	10.06	75.15	22.20	183.15	102.83
Unallocated Depreciation							28.00	6.91

Notes

1) Considering the nature of the Group's business and operations, as well as based on reviews performed by Chief operating decision maker regarding resource allocation and performance management, the Group has classified Glass lined Equipment, Heavy Engineering and Proprietary Products as reportable segments in accordance with the requirements of 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. Expenses not directly allocable to the segments are treated as "Unallocated Expenses".

3) The accounting policies of the reportable segments are the same as the Group's accounting Policies described in Note 4.

Entity wide Disclosure

(i) Non-current operating assets:

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
India	1,299.17	738.27
Others	-	-
Total	**1,299.17**	**738.27**

(ii) Geographic information

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Revenue from external customers		
India	4,584.33	3,733.68
Outside India	1,326.39	1,292.75
Total revenue	**5,910.72**	**5,026.43**

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

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 ₹ 9.44 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	4.25	4.25
2.	Skill Development	Contribution to J V Patel ITI	Karamsad, Gujarat	J V Patel ITI	2.48	2.48
3.	Environment Sustainability	Contribution to Sardar Patel Trust	Karamsad, Gujarat	Sardar Patel Trust	0.64	0.64
4.	Environment Sustainability	Contribution to Reefwatch Marine Conservation	Andaman - Nicobar Island, India	Reefwatch Marine Conservation	1.00	1.00
5.	Social Awareness	Contribution to Reefwatch Marine Conservation - mega funa	Mega-funa Rescue & Beach Restoration on the Karnataka Coast	Reefwatch Marine Conservation	1.07	1.07
				Total	**9.44**	**9.44**

40 EARNING PER SHARE

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Net profit for the year available to equity shareholders after Tax ₹ in Millions'	711.33	505.81
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 (₹)	48.66	34.60

41 DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2019-20, TO THE EXTENT THE GROUP HAS RECEIVED INTIMATION FROM THE "SUPPLIERS" REGARDING THEIR STATUS UNDER THE ACT.

₹ in Million

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(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 Interest due on above	6.41 -	0.09 -
(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.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

42 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, 2020

Sr. No.	Name of Entity	Net Asset i.e total assets minus total liablities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Holding Co.	As % of Consolidated net asset	(₹ in Millions)	As % of Consolidated net asset	(₹ in Millions)	As % of Consolidated other comprehensive Income	(₹ in Millions)	As % of Consolidated profit or loss	(₹ in Millions)
	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**

(b) As at and for the year ended March 31, 2019

Sr. No.	Name of Entity	Net Asset i.e total assets minus total liablities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Holding Co.	As % of Consolidated net asset	(₹ in Millions)	As % of Consolidated Profit or Loss	(₹ in Millions)	As % of Consolidated other comprehensive Income	(₹ in Millions)	As % of Consolidated profit or loss	(₹ in Millions)
	GMM Pfaudler Limited	80.95	2,177.16	80.34	406.36	19.03	(0.90)	80.91	405.46
	Subsidiaries								
	Indian-								
1	Karamsad Holding Ltd.	-	-	(0.01)	(0.06)	-	-	(0.01)	(0.06)
2	Karamsad Investments Ltd.	-	-	(0.01)	(0.07)	-	-	(0.01)	(0.07)
	Foreign-								
1	GMM Mavag AG	13.25	356.33	0.59	2.99	-	-	0.60	2.99
2	Mavag AG	22.14	595.31	18.94	95.78	345.81	(16.34)	15.85	79.44
	Consolidation Adjustment	(16.34)	(439.52)	0.15	0.81	(265.04)	12.52	2.66	13.33
	Total		**2,689.28**		**505.81**		**(4.72)**		**501.09**

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

43 GOODWILL ON CONSOLIDATION

₹ in Million

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1.	Opening Balance	123.38	121.31
2.	Add: On acquisition of subsidiaries during the year	-	-
3.	Add/ (less): Exchange difference during the year on translation of Goodwill of foreign subsidiaries	15.38	2.07
4.	Less: On disposal of subsidiaries during the year	-	-
5.	Less: Accumulated impairment	-	-
	Total	**138.76**	123.38

Goodwill arising on the acquisition of a foreign entity is translated at the closing rate.

44 The Group has acquired Industrial Mixing Solutions Division (IMSD) of Sudarshan Chemical Industries Ltd, Pune on a going concern basis in terms of definite agreement on April 12, 2019 at a consideration of ₹ 272.27 million.

IMSD is primarily engaged in designing and manufacturing of Industrial Mixers, Vessels and agitators for liquid, solids and gases. Agitators are technology driven equipment and are engineered based on customers' mixing requirements with respect to mixing applications (solid, liquid, gas), mixing time and viscosity. Vessels are fabricated products designed to meet the capacity requirements of customers and are used for housing the Agitators to complete the Industrial Mixer.

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:

₹ in Million

Particulars	As at March 31, 2020
Property, Plant & Equipment	12.98
Other Intangible Assets	162.52
Net working capital	**37.45**
Net Assets	**212.95**
Less: Purchase consideration	**272.27**
Goodwill	**59.32**

Goodwill arose in the acquisition of the above said division because the consideration paid for the combinations effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Goodwill arising on the acquisition is deductible for tax purposes.

45 Impact of COVID-19 (Global Pandemic):

The World Health Organisation (WHO) declared the novel Coronavirus (COVID-19) outbreak a global pandemic on March 11, 2020. Consequent to this, Government of India had declared lockdown on March 23, 2020 and therefore, the Group suspended its operations in all its manufacturing units and offices temporarily.

COVID-19 has impacted the normal business operations of the Group by way of interruption in production, supply chain disruption, closure of production facilities etc. during the lock-down period. However, production and supply of goods has commenced on April 20th, 2020 at our manufacturing facility located in Karamsad, Gujarat and on May 14th, 2020 at our manufacturing facility in Pune, Maharashtra after obtaining necessary permissions from the appropriate government authorities. We have also taken necessary precautions to ensure the health, safety and wellbeing of all our employees as well as put in place SOPs and guidelines as per state government directives to prevent the spread of Covid-19. We expect to reopen our sales offices across India and our corporate office in Mumbai sometime during June 2020 after getting the necessary approvals.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

The Group has made detailed assessment of its liquidity position for FY 2021 and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory, and trade receivables. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these standalone and consolidated financial results. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Impact of COVID – 19 on Q4 FY2020 performance :

Covid–19 began impacting our normal business operations on 14th March 2020 by affecting our supply chain and our ability to ship ready equipment to our customers, our production eventually shut down completely on March 23rd, 2020. As a result, we lost sizable revenue due to disruption leading to lower profits for the quarter. Further, the Group has discharged its disbursement obligations in full on payroll including contractual, casual and workmen and paid to its creditors though collections from customers was a bit slow during the period.

Impact of COVID – 19 on FY2021 performance:

We started the year with a strong unexecuted order book which is higher as compared to previous year. During the lockdown period we secured sizeable orders which further strengthens our order book position. Our production facilities have resumed operation and supply chain is gradually returning to normal. Even though we lost 20 days of production in April 2020, which in turn will affect our Q1 FY2021 revenues and profitability, we are confident that we can recoup the shortfall in subsequent quarters.

46 Proposed Dividend:

The Board of Directors in their meeting held on 23rd May, 2020, proposed a final equity dividend of ₹ 2 per equity share of ₹2.00 each fully paid up for the financial year 2019-20. The aggregate amount of final equity dividend proposed to be distributed is ₹ 29.23 million.

47 The financial statements for the year ended March 31, 2020 were approved for issue by the Board of Directors on May 23, 2020.

As per our report of even date.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner
Membership No. 106189
Ahmedabad, May 23, 2020

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900
Pune, May 23, 2020

Tarak Patel
Managing Director
DIN: 00166183
Lonavala, May 23, 2020

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 23, 2020

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 23, 2020

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GMMPfaudler
Defining the standard

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