

To,  
**BSE Ltd**  
Phiroze Jeejeebhoy Towers,  
1<sup>st</sup> Floor, Dalal Street,  
Mumbai – 400 001

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

**Scrip Code: 505255**

**Symbol: GMPFAUDLR**

**Sub.: Annual Report of the Company and Notice convening the 59<sup>th</sup> Annual General Meeting**  
**Ref.: Regulation 30(2), Regulation 34 and Regulation 42 of the Securities and Exchange Board of India SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)**

Dear Sir/ Ma’am,

Pursuant to Regulation 34 and Regulation 30(2) of the SEBI Listing Regulations, please find enclosed Notice convening the 59<sup>th</sup> Annual General Meeting (“AGM”) and the Annual Report of the Company for the financial year 2021-22. The Notice of the AGM is given on Page Nos. 99 to 112 of the Annual Report.

In compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice convening the AGM and the Annual Report of the Company for the financial year 2021-22 is being sent today i.e. Saturday, August 27, 2022, through electronic mode, to all the Members of the Company whose e-mail addresses are registered with the Depositories/ the Company/ the Registrar and Share Transfer Agent of the Company.

Please note that the AGM of the Company will be held on Monday, September 19, 2022, at 12:00 noon (IST) through Video Conferencing/ Other Audio Visual Means in accordance with the aforesaid circulars. The Notice of AGM along with the Annual Report for the financial year 2021-22 is also being made available on the website of the Company at: <https://www.gmpfaudler.com/investors/financial-results-reports/annual-reports>

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

Sr. No.	Agenda item	Resolution to be passed/ Manner of approval proposed
1	To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2022 (including Consolidated Financial Statements) together with the reports of the Board of Directors and auditors thereon.	Ordinary Resolutions

**GMM Pfaudler Ltd.**

Corporate Office: 902 VIOS Tower, New Cuffe Parade, Sewri-Chembur Rd, Mumbai 400037  
Registered Office & Works: Vithal Udyognagar, Anand - Sojitra Road, Karamsad - 388325  
O: +91 22 6650 3900 | F: +91 2692 661888 | CIN: L29199GJ1962PLC001171  
W: [www.gmpfaudler.com](http://www.gmpfaudler.com) | E: [sales@gmpfaudler.com](mailto:sales@gmpfaudler.com)



Sr. No.	Agenda item	Resolution to be passed/ Manner of approval proposed
2	To confirm the declaration and payment of three interim dividends paid during the financial year ended March 31, 2022 and to declare final dividend for the financial year ended March 31, 2022.	Ordinary Resolutions
3	To appoint a Director in place of Mr. Harsh Gupta (DIN 02434051), who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary Resolution
4	To ratify the payment of remuneration to the Cost Auditors of the Company for the financial year ending March 31, 2023.	Ordinary Resolution

#### Record Date and Book Closure:

Pursuant to Regulation 42 of the SEBI Listing Regulations and Section 91 of the Companies Act, 2013, the Company has fixed Monday, September 12, 2022 as the record date for the purpose of AGM and determining the Members eligible for dividend on equity shares, if approved at the AGM. Accordingly, the Register of Members and Share Transfer books will remain closed from Tuesday, September 13, 2022 to Monday, September 19, 2022 (both days inclusive).

#### Details of E-voting:

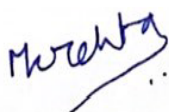
Pursuant to Regulation 44 of SEBI Listing Regulations and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company has provided e-voting facility to enable the Members to cast their votes electronically. The Notice of AGM *inter alia* indicates the process and manner of remote e-voting/ e-voting at the AGM along with instructions for participating the AGM through VC/OAVM.

This is for your information and record.

Thanking you.

Yours faithfully,

For **GMM Pfaudler Limited**




**Mittal Mehta**

Company Secretary & Compliance Officer

FCS No.: 7848

Encl.: As above

#### GMM Pfaudler Ltd.

Corporate Office: 902 VIOS Tower, New Cuffe Parade, Sewri-Chembur Rd, Mumbai 400037

Registered Office & Works: Vithal Udyognagar, Anand - Sojitra Road, Karamsad - 388325

O: +91 22 6650 3900 | F: +91 2692 661888 | CIN: L29199GJ1962PLC001171

W: [www.gmmpfaudler.com](http://www.gmmpfaudler.com) | E: [sales@gmmpfaudler.com](mailto:sales@gmmpfaudler.com)



# Moving forward with Purpose

ANNUAL REPORT 2021 - 22

**GMM**  
**Pfaudler**

## Contents

<b>Corporate Overview</b>		<b>99</b>	Notice
<b>02</b>	Vision Mission & Values	<b>113</b>	Board's Report
<b>04</b>	Big Moves	<b>135</b>	Report on Corporate Governance
<b>06</b>	Brand Architecture	<b>160</b>	Bussiness Responsibility & Sustainability Report
<b>08</b>	Global Footprint		
<b>12</b>	Key Performance Indicators		
<b>14</b>	Milestones		
<b>16</b>	Management Comments		
<b>20</b>	Project Appollo		
<b>22</b>	ESG at GMM Pfaudler		
<b>70</b>	Corporate Information		
<b>71</b>	Board of Directors		
<b>74</b>	Leadership Team		
<b>76</b>	Management Discussion & Analysis		
<b>Financial Statements</b>			
<b>183</b>	Standalone Financial Statements		
<b>244</b>	Consolidated Financial Statements		
<b>310</b>	GRI Content Index		

## Investor Information

CIN:	L29199GJ1962PLC001171
BSE code:	505255
NSE code:	GMPFAUDLR
Bloomberg code:	GMM IN Equity
Dividend for FY22:	₹6 per equity share (pre-bonus) (Subject to approval of the members at the AGM)
AGM date:	September 19, 2022
Venue:	Through Video Conference



The background of the page is a close-up photograph of water ripples. The water is a clear, light blue color, and the ripples create a complex, organic pattern of white and light blue lines that curve and flow across the frame. The lighting is bright, creating a sense of freshness and movement.

We are committed to the long-term  
success of all our stakeholders and  
will always deliver  
**results in a responsible manner**

## — Our Vision

To become the preferred partner for critical process technologies, systems, and services for the pharmaceutical and chemical industries by delivering high quality and sustainable solutions.

## — Our Mission

We use our corrosion-resistant expertise as a cornerstone to develop a broader portfolio offering, while respecting the environment, uniting our people, and creating value for all our stakeholders.

# — Our Values

## **Innovative**

We provide unique and innovative technologies, systems, and services that deliver high-value solutions to our customers.

## **Inclusive**

Our people are the force driving our ability to do and achieve more. We value diversity and provide a real opportunity to cultivate meaningful relationships.

## **Reliable**

We are committed to consistently delivering on our promise of expertise in the technologies, systems, and services we offer.

## **Dynamic**

We are always on the move, anticipating technology and customers' needs as they change.

## **Respectful**

We use our expertise to strengthen our product portfolio while respecting our people, our communities, and the environment, creating value for all our stakeholders.

**Creating behaviours and mindsets that are dynamic, being innovative with our offerings, putting inclusivity at the heart of our people practices, and being a trusted and respected partner are values that drive us at GMM Pfaudler. Our values are an attitude that defines our culture and will help us make big moves.**

# What is a **BIG MOVE?**

**Our past. Our current. Our future**

From enhancing our current capabilities to realising our aspirations

Not only leading through quality, but with an increasing focus on Impact

Branching out from a diverse product portfolio to building synergies for a strong global team

Realising our legacy and credibility by providing a technological edge

From going beyond just providing within the industry to being a global organisation

**We are here to make  
BIG MOVES**



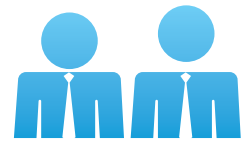
# We have been making **BIG MOVES**



Business Performance



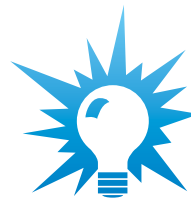
Mergers & Acquisition



Human Resources



Capital Expenditure



Innovation



**154%**

Growth in  
Revenue



**79%**

Growth in  
EBITDA  
[excl. PPA\*]



**30%**

Growth in  
order backlog

\*Purchase Price  
Allocation adjustments

# Brand Architecture



Corporate Brand

## Branded Product Lines

**PFAUDLER**

— Glass-Lined Technology

**NORMAG**

— Lab & Process Glass

**MAVAG**

— Filtration & Drying

**MIXION**

— Mixing Technology

**INTERSEAL**

— Sealing Technology

**EQUILLOY**

— Alloy Process Equipment

**EDLON**

— Fluoropolymers

## Business Functions



Our services range from the provision of parts and maintenance to complete process solution delivery, including conception, design and installation.



Our systems offering provide reaction systems, evaporation and distillation systems, acid recovery systems, filtration and drying systems, extraction systems and more.

## CSR\* Activities



Our global and regional initiatives are dedicated to giving back to our planet and society.

\*Corporate Social Responsibility



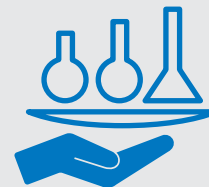
A one-stop-shop for high quality corrosion-resistant chemical process equipment for the chemical and pharmaceutical industries



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



Large installed base with recurring revenues



Complementary product portfolio with high growth potential

**1,173**  
Capital Employed  
(₹ crore)

**6,671**  
Market Capitalization  
(₹ crore)

**668**  
Network  
(₹ crore)

**91**  
Adjusted EPS\* (₹)

**412**  
BSE

**406**  
NSE

Ranking on the basis of market capitalization

\*Excluding PPA and other acquisition related adjustments related to PFI acquisition



- Manufacturing facilities
- Sales & Services offices

**14**  
Manufacturing  
facilities



04  
Continents

80+  
Countries

1800+  
Employees









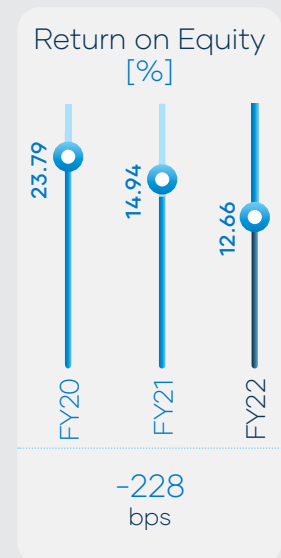
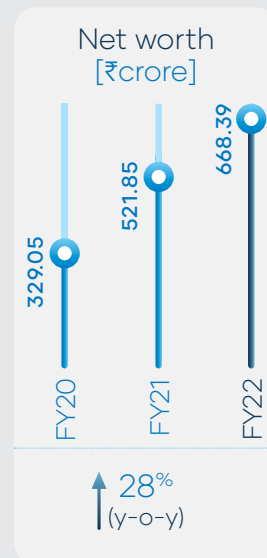
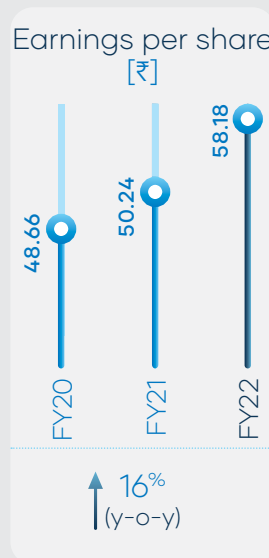
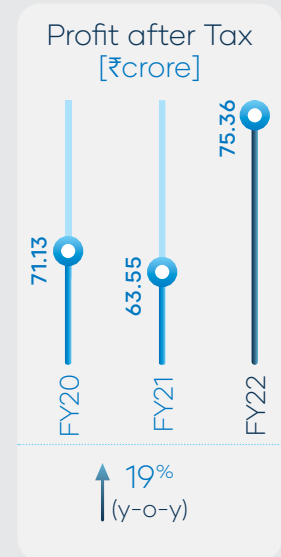
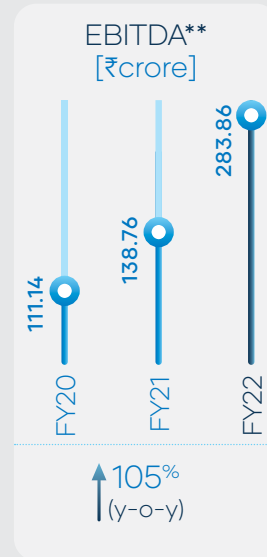
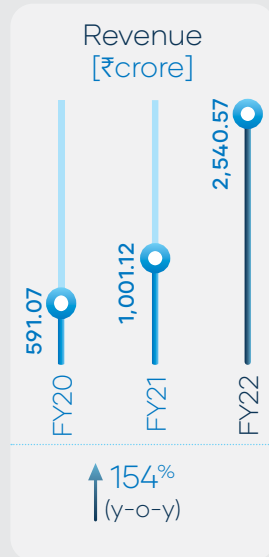


**KEY PERFORMANCE INDICATORS**

Our leadership position and a positive macro-economic outlook have contributed to a strong performance through the financial year. Profitability continues to remain our focus and we intend to improve through cost efficiencies, integration synergies and pricing.

**Manish Poddar**  
Chief Financial Officer

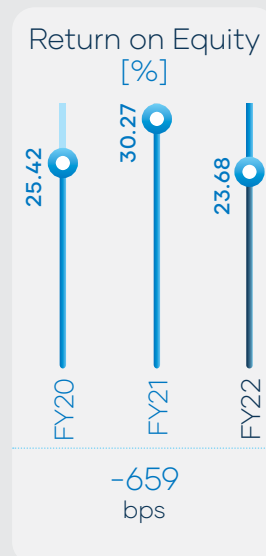
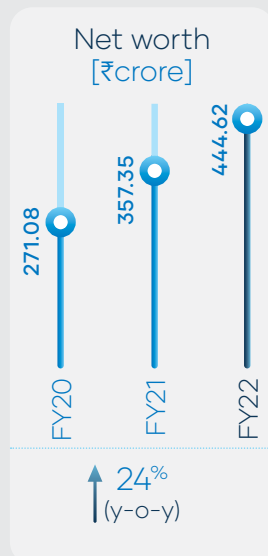
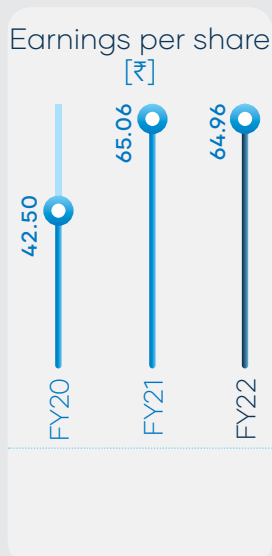
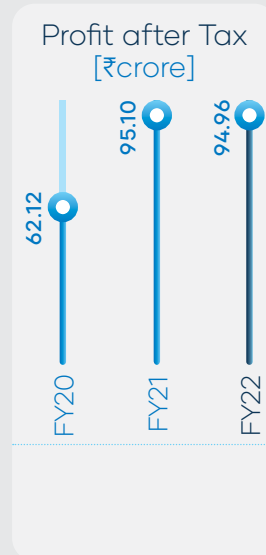
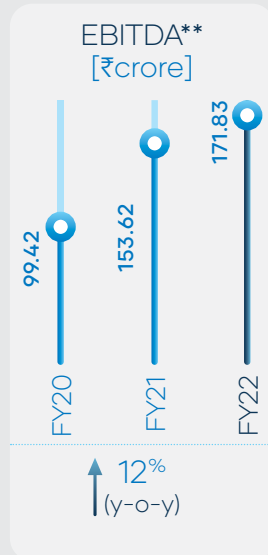
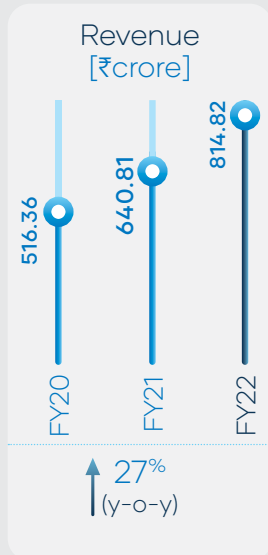
**Consolidated**  
Financial Performance



\*\*EBITDA excludes other income

## Standalone

### Financial Performance



\*\*EBITDA excludes other income

# Milestones

1884

Glass-lining technology invented by Casper Pfaudler

1903

Pfudler's first manufacturing facility built in Rochester, USA

1994

Robbins & Myers Inc. acquires Pfudler

1999

Pfudler increases stake in GMM to 51%. Company renamed as GMM Pfudler Ltd

2013

National Oilwell Varco (NOV) acquires Robbins & Myers Inc.



1907

Pfaudler's second manufacturing facility  
built in Schwetzingen, Germany

1987

Pfaudler Inc. acquires 40%  
stake in GMM to form a  
Joint Venture

1962

Gujarat Machinery  
Manufacturers (GMM)  
established and listed on the  
Bombay Stock Exchange  
(BSE)

2014

Deutsche Beteiligungs AG  
(DBAG), acquires Pfaudler  
from NOV

2020

GMM Pfaudler acquires  
majority stake in Pfaudler

Dear Shareholders,

We began the year as the world's largest producer of glass-lined equipment; we went from having a single manufacturing facility not so long ago to now having 14 manufacturing facilities in 8 countries employing more than 1800 people.



**T**HIS transformational change in the size and scale of our business came with its own set of challenges. Our immediate goal after completing the acquisition of the Pfaudler Group was to stabilize the business and develop an integration plan so as to ensure a smooth transition. It was important for us to articulate our vision and direction to all our employees and create alignment within the group. However, the Covid-19 pandemic and the associated travel restrictions made this part of our effort difficult as we could not meet with our people face to face. Luckily for us, the relationship

**Tarak Patel**  
MANAGING DIRECTOR

and trust that we had developed with Pfaudler for more than 30 years helped us navigate through this difficult period. I am happy to report that despite these challenges our integration efforts through “Project Apollo” have been a great success. Our three focus areas - value sourcing, operational excellence, and cross-selling have all shown incredible traction and have impacted both revenue and profitability in a positive manner. Project Apollo has now become a way of life at GMM Pfaudler and we expect the impact of this initiative to increase over time.

Today we are facing a different set of challenges and uncertainties, rising input costs and supply chain disruptions have significantly impacted revenues and profitability across our businesses. Further, inflationary pressures have slowed down economic activity and the general business environment remains subdued. This situation has forced us to look inwards and we are now focusing our efforts to reduce costs and improve efficiencies.

On the manufacturing front, our operational excellence and value sourcing projects

are showing promising results and will now take on even greater importance with all our manufacturing facilities now running at a high capacity. Our order backlog is at an all-time high, and with our key end-user segments - chemical and pharmaceutical continuing to invest, we have decided to enhance capacities across geographies with new glass-lining furnaces being added in India, Brazil, and the United States. We will be well-positioned to take advantage of the situation as and when the demand picks up.

On the sales front, order intake continues to remain strong with a robust opportunity pipeline. We remain the preferred choice for our customers because of our innovative technology, global reach, and extensive after-sales network and our ability to offer a cost-effective solution. As an integrated sales organization with a clear go-to-market strategy we have been able to penetrate new markets and grow our market share.



In India, we will shortly be inaugurating our technology centre where we will welcome our customers to come and run trials on our state-of-the-art technologies

Today GMM Pfaudler's market leadership position is driven by technology, sustainability, and innovation. Going forward we plan to double down on these areas, as we believe that this is going to be the biggest differentiator for us. There are multiple projects and product launches in the pipeline that we will be bringing to the market shortly that will help us cement our position as the market leader. There is also a clear focus within the company to improve our products and services through automation and digitisation. In India, we will shortly be inaugurating our technology centre where we will welcome our customers to come and run trials on our state-of-the-art technologies.

ESG will be the corner stone of GMM Pfaudler's long term strategy with a commitment to create value for our people, our communities and our planet. For us, ESG is more than ticking the boxes, it's about making a difference. Our mission and values guide our purpose and help us to focus on what is important. As a leading global supplier of corrosion-resistant technologies, we are committed to accelerating the world's move towards a sustainable future.

In May 2022, we launched our new corporate identity and brand architecture. It is the visual culmination of GMM Pfaudler's strengths and our constant endeavour to keep moving forward. We are the same people, same company - now with a new look. We are changing for the better - by remaining agile, serving our customers better and being future-ready by making '**Big Moves!**'

On the CSR front, we launched the GMM Pfaudler Foundation, a wholly owned subsidiary of GMM Pfaudler. The Foundation's dedicated focus will enable us to give back to the society and local communities in a more meaningful and impactful manner. As per our Company's CSR policy, the foundation will continue to focus on issues relating to healthcare, education, and the environment. During the year, our CSR efforts continued, and we worked closely with our CSR partners - ReefWatch Marine Conservation, Shri Krishna Hospital (Charutar Arogya Mandal), J. V. Patel GIA ITI and the Sardar Patel Trust. We are thankful for all the hard work that our CSR partners continue to put in, tirelessly working to improve the economic, social, and environmental aspects of our society through inclusive growth and sustainable development.

As I have said many times before, our people are our most important asset. Today we employ more than 1800 people worldwide and during the year we also generated significant employment opportunities in India by adding more than 200 employees across our businesses. As part of efforts to further professionalise our company, we recently appointed a CEO for our India business - **Aseem Joshi**. Aseem brings over two decades of rich experience in technology, consulting, strategy, sales and manufacturing and will help drive the Company's strategy and vision in India. To help in aligning and retaining our employees we recently launched the first phase of our global Employee Stock Option Plan (ESOP) program, earmarking 51,161 shares as a long-term incentive for our employees across the globe. This initiative makes us one of the few capital goods companies in India to have such a wide-reaching ESOP program. I want to take this opportunity to thank all



our employees for the hard work and determination over the last year despite the challenges and uncertainties that were faced; it was truly inspirational to see the commitment to getting the job done.

Before I conclude, I would like to place on record my appreciation to the Board of Directors for ensuring effective corporate governance and thank them for their support and guidance. **Dr. Sivaram** who has been a Board member of the company since 2003 and the Chairman of the Board since 2018 will retire after the AGM later this year.

On behalf of everyone at GMM Pfaudler, I would like to thank Dr Sivaram for his immense contribution to the growth and success of our company. I would also like to acknowledge all our employees, customers, and supplier partners for their support and faith in GMM Pfaudler. **Thank you for being a part of our journey. Stay well.**



### **Thomas Kehl, CEO - International Business**

"I am happy to report that the international business recorded significant improvement in both revenues and profitability. Our new manufacturing facilities in Germany and China are now running at full capacity and we are in the process of enhancing capacity in Brazil

and the United States. The integration effort is reflecting well, and we were pleasantly surprised to see so many quick successes across our businesses. Going forward, I am confident that we can build on our performance and achieve even greater success in the coming years."



### **Aseem Joshi, CEO - India Business**

"Our India business reported another strong year of growth as we have successfully integrated two new factories - Hyderabad and Vatva. Having only completed less than a year in the organization I am excited and encouraged by what our company has to offer. Our focus on innovation and technology will help us differentiate ourselves and cement our leadership

position. We continue to invest in India, adding capacity in all three of our manufacturing facilities to cater to the increased demand. To counter the impact of rising input costs we have decided to embark on a company-wide cost reduction and efficiency improvement project. FY23 promises to be another strong year for GMM Pfaudler!"



# Project Apollo



Scale



Speed

## Value-Sourcing

Leverage low-cost capabilities to increase market share and margins across the group

- Successfully entered new markets such as Eastern Europe, Southeast Asia and Middle East with cost-effective solutions
- Stock and sale of equipment and components from India gaining traction



## Operational Excellence

Implement lean production model across manufacturing sites to increase throughput

- Throughput improvement in Germany and China resulting in turnaround
- New furnaces added in India, Brazil and US





## Cross-Selling

Capture customer wallet share through portfolio expansion & innovation

- Successfully packaged multiple products from our portfolio
- Integrated global sales network through a coordinated approach has penetrated new markets and grown market share



# ESG

At GMM Pfaudler





**A**S a leading provider of technologies, systems and services for a wide range of pharmaceutical and chemical industries in the manufacturing sector, we are cognizant of the environmental footprint of our operations and that of our customers. Therefore, designing sustainable products and conducting business responsibly to contain the environmental impact of our operations and the value chain, providing a safe and inclusive workplace, and fostering holistic growth are integrated within our organizational fabric.

**Our Approach**

**Our** operational and future growth strategies put responsible Environmental, Social and Governance (ESG) principles at their core. These principles help us design and deliver quality products that help GMM Pfaudler and our customers lead with sustainability and create long term value for our stakeholders.

We are progressively sharpening our ESG focus and undertaking initiatives to

improve our processes and policies, enhance resource efficiencies as we scale business. In line with our intent to expand the scope of our disclosures, we have adopted GRI core option for sustainability reporting to share the highlights and challenges of our ESG journey with our stakeholders transparently.

For GMM Pfaudler, adherence to ESG principles is more than just ticking the boxes. It is

about making a tangible and lasting difference in the world. Our mission and values guide our purpose and help us focus on what is important. As the leading supplier of corrosion-resistant technologies, we are committed to accelerating the world's move toward a sustainable future and positively impacting our people, communities, and the planet.

**Our Purpose**

ESG will be the corner stone of GMM Pfaudler's long term strategy with a commitment to create value for our people, our communities and our planet.

**Creating a sustainable future for our Company and our Stakeholders**



**Sustainable and environmentally-friendly working practices**

Strengthening our product portfolio while respecting our stakeholder concerns and reducing our environmental impact



**Innovative technologies**

We provide unique and innovative technologies, systems and services that deliver high-value solutions to our customers



**Reliable & Dynamic**

We are committed to consistently delivering on our promise of expertise in technologies, systems and services by anticipating the needs of customers



**Inclusive Culture**

Our people are the driving force driving our ability to do and achieve more. We value diversity and provide a real opportunity to cultivate meaningful relations



**Longer Lifespan**

Our equipments have a longer operational lifespan of over 10-15 years, reducing the need for replacement and waste generation



## ESG Policy

**Our** ESG policy is designed to address the impact of our operations and footprint on society and the environment, as well as identify and deploy mitigation measures. The policy outlines our commitment to embedding ESG principles into our business activities and functions and across our supply chain. The **GMM Pfaudler ESG Policy** can be found at: <https://www.gmmpfaudler.com/index.php/file/EnvironmentSocialGovernancePolicy.pdf>

Our ESG policy includes the following major elements that align with Company's Strategic Plan and the UNSDGs:

	<b>SDG 3:</b> Good Health and Wellbeing
	<b>SDG 4:</b> Quality Education
	<b>SDG 7:</b> Affordable Clean and Energy
	<b>SDG 8:</b> Decent Work and Economic Growth
	<b>SDG 9:</b> Industry, Innovation and Infrastructure
	<b>SDG 11:</b> Sustainable Cities and Communities
	<b>SDG 12:</b> Responsible Consumption and Production
	<b>SDG 14:</b> Life below Water

## ESG Highlights FY22

### Environmental Highlights



**9,476<sup>GJ</sup>**  
Renewable Energy generated and consumed (as electricity)

#### ISO 14001:2015

Our manufacturing sites are Environmental Management System certified

### Social Highlights



**100%**  
Health and Safety training to workers

#### ISO 45001:2018

Our manufacturing sites are aligned to Occupational Health & Safety Management System

### Governance Highlights



**Periodic review**  
We perform compliance check & corporate reviews periodically

#### ESG Steering Committee

Dedicated ESG committee is formed at leadership level to guide and implement the ESG elements in the organisation

## Stakeholder Engagement




**Transparent** and regular stakeholder engagement is integral to our sustainable growth roadmap and achieving the triple bottom line - people, planet, and processes. We engage with our stakeholders and seek their views on emerging and existing risks, economic opportunities and environmental and social

parameters as we consider to expand our footprint. Additionally, we need to understand and address stakeholder concerns and get insights into issues that are important to them to earn their trust and support.

Our internal stakeholders include our employees, Board and Senior Management. External stakeholders include

customers, shareholders/ investors suppliers, investor relation/public relation agencies, communities and regulators. We engage with our stakeholders through a broad spectrum of channels that facilitate two-way communications and disclose transparent and regular information on our progress and challenges to them.

### Stakeholder Engagement Matrix

Stakeholders	What can we offer them?	Why are they important to us?	How do we engage with them?	Key ESG concerns
<b>Employees &amp; Senior management</b> 	<ul style="list-style-type: none"> <li>• Learning and development</li> <li>• Benchmarked compensation</li> <li>• Objective and fair performance review &amp; timely feedback</li> <li>• Progressive career growth</li> <li>• Conducive and inclusive work environment</li> <li>• Enabling an innovation-led culture</li> </ul>	<ul style="list-style-type: none"> <li>• A motivated workforce is key to realizing business and sustainability goals</li> <li>• Engaged employees deliver higher productivity and strengthen competitive advantage</li> </ul>	<ul style="list-style-type: none"> <li>• Internal communications through multiple channels, including leadership messages, townhalls, shop floor meetings, newsletters</li> <li>• Intranet</li> <li>• Grievance redressal channels</li> </ul>	<ul style="list-style-type: none"> <li>• Product Quality and Customer Satisfaction</li> <li>• Corporate Governance</li> <li>• Responsible Supply Chain</li> <li>• Climate Change, Emissions, and Waste</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>• High-quality products</li> <li>• Seamless pre-sales and after-sales service</li> <li>• Opportunity to provide feedback about products and services</li> <li>• Value for money</li> </ul>	<ul style="list-style-type: none"> <li>• Satisfied customers are the source of recurring revenues</li> <li>• Positive word of mouth and recommendations can get new customers</li> </ul>	<ul style="list-style-type: none"> <li>• One-to-one interactions and meetings</li> <li>• Customer satisfaction surveys</li> <li>• Company website</li> <li>• Helpline numbers and grievance recording mechanism</li> </ul>	<ul style="list-style-type: none"> <li>• Product Quality</li> <li>• Customer satisfaction</li> </ul>
<b>Shareholders / Investors</b> 	<ul style="list-style-type: none"> <li>• News of the latest company developments</li> <li>• Details of long-term plans</li> <li>• Clarifications about events that might be of concern</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders are the source of the Company's capital</li> <li>• As part owners of the Company, they deserve to have a say in the tactical and strategic plans of the Company</li> </ul>	<ul style="list-style-type: none"> <li>• Website</li> <li>• Media</li> <li>• Email</li> <li>• Quarterly conference call</li> <li>• Analyst &amp; Investor meetings</li> <li>• General meetings</li> <li>• LinkedIn</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Climate change</li> <li>• Water usage and waste disposal</li> <li>• CSR</li> </ul>

Stakeholders	What can we offer them?	Why are they important to us?	How do we engage with them?	Key ESG concerns
<b>Suppliers / Vendors</b>  	<ul style="list-style-type: none"> <li>● Revenue generation</li> <li>● Business growth</li> <li>● Innovation</li> <li>● Brand loyalty</li> <li>● Key to growing the demand for a sustainable supply of equipment and materials</li> </ul>	<ul style="list-style-type: none"> <li>● Strategic lever for operational and cost efficiencies</li> <li>● Delivering on quality commitments</li> <li>● Finishing new and in-progress projects on time and within budget</li> <li>● Technology adoption and advancement across the value chain</li> <li>● Integrating ESG parameters across the value chain</li> <li>● Reducing carbon footprint</li> </ul>	<ul style="list-style-type: none"> <li>● One-to-one discussion</li> <li>● Online survey</li> <li>● Supplier meets</li> <li>● Review and Audits</li> <li>● Contractual Agreements</li> <li>● Capacity building and training</li> </ul>	<ul style="list-style-type: none"> <li>● Product Stewardship</li> </ul>
<b>Investor Relations and Media</b>  	<ul style="list-style-type: none"> <li>● News of the last company developments</li> <li>● Transparency / clarifications about events that might be of concern</li> </ul>	<ul style="list-style-type: none"> <li>● Enhancing financial and brand reputation</li> <li>● Boosts visibility among potential customers and investors</li> <li>● Creating sustainable impact</li> </ul>	<ul style="list-style-type: none"> <li>● One-to-one discussion</li> <li>● Online survey</li> <li>● Quarterly Investor Meets</li> <li>● Media announcements</li> <li>● Interviews</li> <li>● Annual Events</li> </ul>	<ul style="list-style-type: none"> <li>● Product Quality and Customer Satisfaction</li> <li>● Occupational Health and Safety</li> <li>● Corporate Governance</li> </ul>
<b>CSR Partners</b>  	<p>Partnerships to foster sustainable development of the communities around our operations and cascade benefits to the ecosystem</p>	<ul style="list-style-type: none"> <li>● Strengthening societal license to operate</li> <li>● Community engagement to conduct business without disruptions</li> <li>● Create a more sustainable ecosystem</li> </ul>	<ul style="list-style-type: none"> <li>● CSR programs</li> <li>● Face-to-face meetings</li> <li>● Online survey</li> <li>● Community meets</li> <li>● Review &amp; Impact studies</li> </ul>	<ul style="list-style-type: none"> <li>● Community Development</li> <li>● Training &amp; Education</li> <li>● Occupational Health &amp; Safety</li> </ul>
<b>Industry bodies, Regulators</b>  	<ul style="list-style-type: none"> <li>● Sustainability</li> <li>● Make in India</li> </ul>	<ul style="list-style-type: none"> <li>● Key for ensuring compliance, interpretation of regulations and uninterrupted operations, obtaining/ granting permissions</li> </ul>	<ul style="list-style-type: none"> <li>● Discussions on applicable regulations</li> <li>● Appropriate amendments and regular inspections</li> </ul>	<ul style="list-style-type: none"> <li>● Timely approvals</li> <li>● Adaptation to changing regulations</li> </ul>

## Materiality Assessment

In FY22, we undertook a detailed materiality assessment to identify issues that are critical for our continued business growth and parameters that can impact our stakeholders the most through a structured engagement with them.

A series of one-on-one discussions and online surveys with internal and external stakeholders helped us garner their insights and assess risks and their potential to impact our value creation abilities.

Additionally, a comprehensive desk review was carried out to evaluate material topics relevant to our Company.

### Our materiality assessment aimed to:

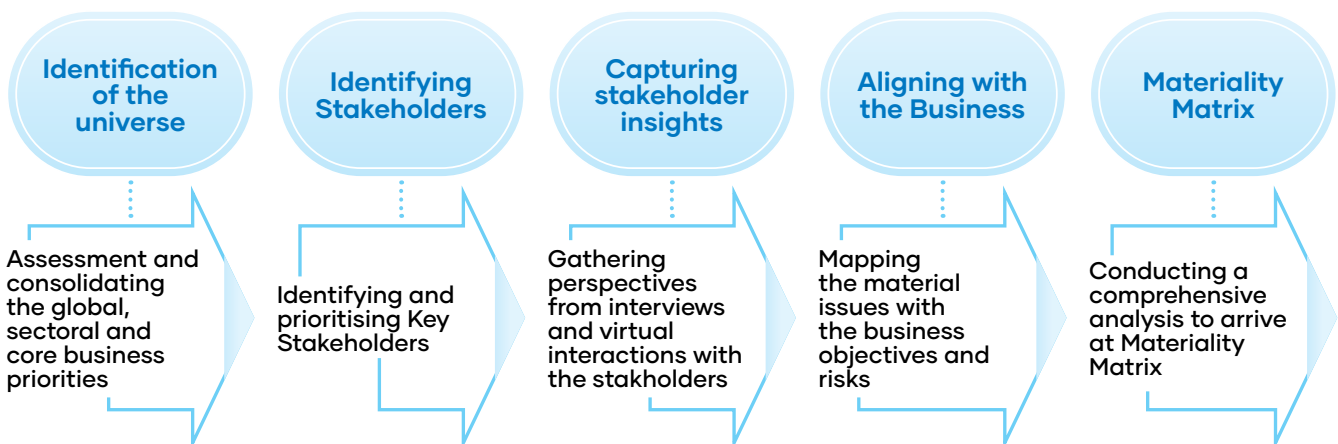


### The Assessment Process

The materiality assessment process began with identifying the broad universe of external environment trends and our business priorities. We came up with a set of 19 potential topics.

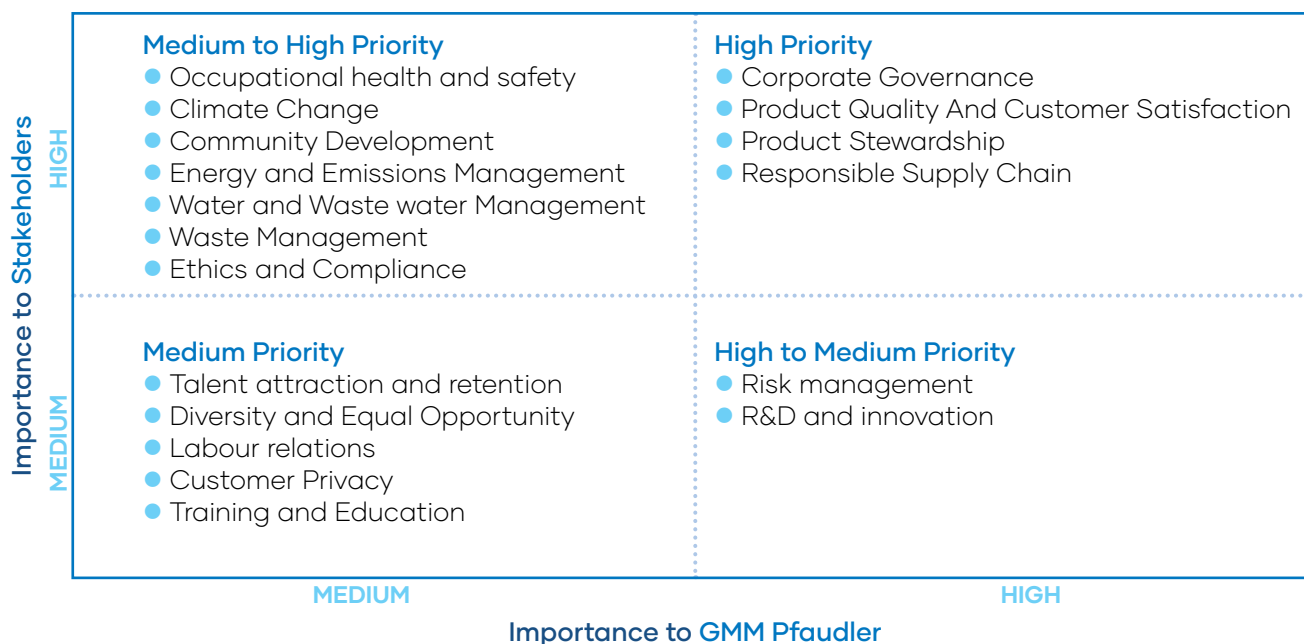
Thereafter, we prioritized key stakeholders for detailed discussions on the universe of issues identified and any additional concerns they may have.

The identified material topics were further prioritized based on their significance to our Company and key stakeholders to develop our final list of material issues. The identified material issues have been woven into our 3-year ESG led growth roadmap between 2022 and 2025.



### GMM Pfaudler Materiality matrix

We depict the relative significance of issues through the materiality matrix. We have identified the following material issues to define our ESG priorities as shown in the High and High to Medium priority quadrants in the matrix below:



#### GMM PFAUDLER Material issues

- Corporate Governance
- Product Quality and Customer Satisfaction
- Product Stewardship
- Responsible Supply Chain
- Risk Management
- R&D and innovation
- Occupational health & Safety
- Climate Change
- Community Development
- Energy and Emissions Management
- Water and Wastewater management
- Waste Management
- Ethics and Compliance

The synergistic and interdependent relationships between our material topics and business imperatives help us accelerate our sustainability journey in line with our stated strategic goals.



**ESG Strategy**

An agile, scalable and responsive roadmap empowers us to translate our ESG goals into an effective execution framework to create sustainable value

for our stakeholders. This roadmap guides us as we work towards meeting our financial and non-financial commitments, establishing scalable and responsible

operational models, building a future-ready talent pool and generating sustained financial returns while protecting our planet and people.

**Strategic Framework**

To guide our Company on a sustainable growth path, we used the findings of our Materiality Assessment to frame our ESG strategy. Built on the four pillars of Environment Protection and Climate Resilience, Responsible Business Conduct, Workplace Symphony and Social Stewardship, the strategy has nine focus areas. These goals are augmented by a robust governance structure to ensure adequate oversight and transparent monitoring of progress and disclosures.

**To nurture long-term business sustainability**

 <p><b>1. Environment Protection and Climate Resilience</b></p> <ul style="list-style-type: none"> <li>● Low Carbon and Climate resilient operations</li> <li>● Water and Waste Management</li> </ul>	 <p><b>3. Workplace Symphony</b></p> <ul style="list-style-type: none"> <li>● Human Capital Development</li> <li>● Health and Safety</li> </ul>
 <p><b>2. Responsible Business Conduct</b></p> <ul style="list-style-type: none"> <li>● Responsible Supply Chain Engagement</li> <li>● Ethics and Compliance</li> <li>● ESG Communication</li> </ul>	 <p><b>4. Social Stewardship</b></p> <ul style="list-style-type: none"> <li>● Human Rights</li> <li>● Community Development</li> </ul>

**Supported by Robust ESG Governance Structure**

**ESG Governance**

A sustainable business can only be built when it has the guard rails of a robust governance structure that can provide the required framework and suggest course corrections where needed. Our ESG Governance structure ensures that the sustainability commitments made by GMM Pfaudler are woven into the appropriate elements of our business operations.

You can read more about ESG Governance structures on page 67 of this Report.

**Contributing to the UN SDGs:** Our holistic ESG strategy is designed to contribute to the United Nation’s Sustainable Development Goals (SDGs) and India’s environmental and socio-economic development goals.

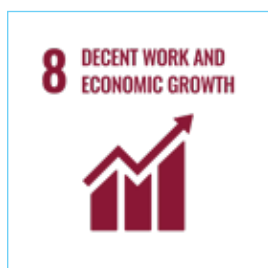
**ESG Strategic Pillar 1: Environmental protection and Climate Resilience**



This strategic pillar is designed to reduce our operations’ environmental impact and carbon footprint. It aims to enhance the sustainability of our assets, reduce water consumption and waste generation and help us become a climate-resilient organization. It focuses on:

Focus Area	KPI	3 Year Target (FY 2025)
Low Carbon and Climate resilient operations	Energy Efficiency	To reduce energy intensity
	Decarbonization (SBTi)	To increase the share of renewable energy
	Climate Risk Analysis	Conduct Climate risk and opportunity analysis
Water and waste management	Zero Waste to Landfill	All the manufacturing sites to achieve the Company’s standard for zero disposal
	Water Recycling	To decrease total water consumption by a substantial percentage

**ESG Strategic Pillar 2: Responsible Business Conduct**




Our business goals are aligned with our vision of becoming the preferred provider of the best engineered products and services to our customers led by ethical and transparent business conduct to earn stakeholder trust, enhance the brand appeal and deepen customer loyalty. This pillar focuses on:


Focus Area	KPI	3 Year Target (FY 2025)
Responsible Supply Chain Management	Sustainable Procurement	Using responsibly sourced raw materials and minimizing waste throughout the supply chain
	Responsible Sourcing	Increase the use of recycled packaging material
Ethics and Compliance	No. of breaches/Non Compliances	<ul style="list-style-type: none"> <li>Identify and disclose the number of breaches or non-compliances with the Code of Conduct</li> <li>100% Training Compliance on Ethics (Code of Conduct)</li> </ul>
ESG Communication	Internal Communication	<ul style="list-style-type: none"> <li>Half-yearly ESG newsletters</li> <li>Conduct Quiz/competitions on ESG issues</li> <li>Celebrate ESG/Safety Week</li> </ul>
	External Communication	<ul style="list-style-type: none"> <li>Develop and Disclose a Sustainability report or Integrated Report</li> <li>Develop a microsite on the website and disclose the sustainability updates /progress every quarter</li> </ul>

ESG Strategic Pillar 3: Workplace Symphony


**5** GENDER EQUALITY



**8** DECENT WORK AND ECONOMIC GROWTH



**10** REDUCED INEQUALITIES



Our people’s capabilities, competence and commitment are the force behind our continued business success and the stakeholder trust we enjoy. Creating a conducive workplace that is safe and inclusive, respects the diversity of thought, gender, age and other parameters and encourages our people to grow professionally is at the core of our ESG led growth strategy. This pillar focuses on:

Focus Area	KPI	3 Year Target (FY 2025)
Human Capital Development	Diversity & Inclusion	Increase the existing women workforce by substantial percentage
	ESG Training	All the employees to comply with the minimum ESG training as per Company’s Learning & Development guidelines
	Employee Engagement Survey	Conduct employee engagement survey annual basis
Health and Safety	ISO 45001 Alignment and Certification	All manufacturing sites to be ISO 45001 certified
	Zero Accident and Zero Injury	Zero Accident and Zero Injury (Reportable)



ESG Strategic Pillar 4: Social Stewardship



At GMM Pfaudler, we have always believed that holistic and inclusive growth is the key to the Company's long-term and sustained wellbeing. We are committed to improving the quality of life and livelihoods for the communities in which we operate and nurturing overall societal development. We are committed to upholding human rights across our operations and the value chain by acting in a fair and transparent manner without any discrimination or bias, aligned to applicable regulations. In line with our ESG goals, we encourage our employees to give back to society by being a part of our community facing engagements. This pillar focuses on:

Focus Area	KPI	3 Year Target (FY 2025)
Community Development	Need Assessment	Community need assessment for all new CSR projects
	Social Impact assessment	Impact assessment for medium/ long-term CSR projects (3 years and above)
	Employee Volunteering	Encourage employees to engage and participate in community volunteering services
Human Rights	Human Rights Due Diligence	Conduct human rights due diligence at all operational facilities



## Environment

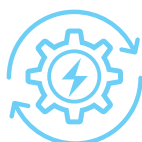
**AT** GMM Pfaudler, reducing our environmental footprint and managing associated risks are essential to our decision-making process. Some of the critical environmental impacts associated with our industry and allied manufacturing activities are related to emissions, effluent discharges and waste generation.

Our ESG strategy is designed to transform our operations into a low carbon and climate-resilient one through energy conservation, monitoring and reducing Green House Gas (GHG) emissions and enhancing water efficiency and waste management. We follow globally benchmarked

standards to contain the environmental impact of our operations. Environmental assessments enable us to identify current and emerging risks that may impact the long-term sustainability of our business model.







### Energy and Emissions

Our direct energy consumption is a function of the fossil fuel used by Diesel Generator (DG) sets to power our manufacturing sites, offices and run company vehicles, LPG for

manufacturing and canteen activities, natural gas to fire furnaces, dissolved acetylene for welding and industrial use and electricity from the grid and renewable sources for other operational

purposes. In FY 22, the total consumption is 2,87,709 GJ of energy, up from 2,22,123 GJ in the previous reporting year with the addition of new manufacturing facilities in Hyderabad and Vatva.

### Energy Consumption

Source	Unit	FY19	FY20	FY21	FY22
Total Fuel Energy	GJ	87,286.82	1,00,132.75	1,29,892.04	1,56,685.21
Total Grid Energy (as grid electricity)	GJ	47,457.09	54,438.03	83,782.17	1,21,548.50
Total Renewable Energy (as electricity)	GJ	6,409.59	6,616.61	8,449.08	9,475.80
Total Electricity	GJ	53,866.68	61,054.63	92,231.26	1,31,024.29
<b>Total Energy</b>	<b>GJ</b>	<b>1,41,153.50</b>	<b>1,61,187.38</b>	<b>2,22,123.29</b>	<b>2,87,709.51</b>

In FY22, it is consumed 1,56,685 GJ of direct energy powered by fossil fuels and 1,31,024 GJ of indirect energy drawn from the grid electricity and renewable electricity was consumed. However, the share of renewable energy also went up from 8,449 GJ to 9,476 GJ during this period.

### GHG Emissions

Scope	Units	FY19	FY20	FY21	FY22
Scope 1 Emissions	tCO <sub>2</sub> e	4,925	5,671	7,407	9,035
Scope 2 Emissions	tCO <sub>2</sub> e	10,828	12,003	18,386	26,673
<b>Total</b>	<b>tCO<sub>2</sub>e</b>	<b>15,754</b>	<b>17,674</b>	<b>25,793</b>	<b>35,708</b>

Our GHG emissions went up from 25,793 tCO<sub>2</sub>e in FY21 to 35,708 tCO<sub>2</sub>e in FY22 as we expanded our footprint with the addition of new manufacturing facilities in Hyderabad and Vatva.

### Reducing Impact

At GMM Pfaudler, technological advancements play an integral role in enhancing energy efficiency and emission control. Our manufacturing sites are aligned to the ISO 50001 standards, which drives

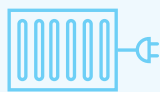
our energy management endeavors. We have identified new opportunities for improving designs and developing new products, processes, and services that enable customers to incorporate environmentally conscious manufacturing practices.

By FY25, we aim to increase our renewable energy share as compared to FY22, by installing additional solar panels and conduct a climate risk and opportunity analysis.

We have adopted a **three-pronged pathway** to effectively reduce our energy consumption and emissions.



**Energy Efficiency:** The first pathway focuses on enhancing energy efficiency through process improvement and removal of idle energy. This is closely supported by our efforts on technological interventions, such as replacing inverter-based welding machines with updated technology, that has resulted in annual savings of 25,200 kWh. Further, by replacing the Wet and Fuji grinders, we saved 14,000 units of electricity annually



**Fuel Shift:** Our second pathway involves transitioning to cleaner fuel to power manufacturing processes, including moving from gas-based to electric furnaces



**Renewable Energy:** The third pathway looks at increasing the share of renewable energy, including solar power and wind energy in the mix. GMM Pfaudler's current renewable energy installed capacity stands at 2.8 MW, with 1.8 MW being wind and 1 MW being solar, which has helped avoid 2079 tCO<sub>2</sub>e in FY22

### Funda® Filter - The New Age Filtration Technology designed by GMM Pfaudler

One of our clients, a pioneer in the specialty chemicals industry, came to us with a specific requirement. They had a slimy and viscous mixture of solids and liquids. The liquid extracted from this mixture had further use while the solid was discarded. Thus far, they were separating the liquid using a filtration method where elements were vertically arranged as leaves. Since the product was slimy, filtration could only be done after precoating the filter media. Solids would accumulate on the precoat layer and form a cake with high viscosity of 560 centipoises @ 70°C.

The client was facing numerous problems with this method, including:

- Multiple batches were needed due to the small filtration area
- Filter leaves had to be taken out frequently for cleaning
- The accumulated solids would form a slimy cake on the leaves

- Periodically, these solids would fall inside the filtration equipment, making it difficult to hold the cake and sustain filtration
- The filtered sticky solid mass had to be removed manually after dismantling and taking out the leaves, scraping and disposing of the sticky mass, and finally cleaning the leaves leading to loss of time, dirtying the equipment, and slowing down filtration

GMM Pfaudler was tasked with designing a suitable alternative for the client, and we came up with the **Funda® Filter**. After understanding the client's requirements and issues, we developed a centrifugal disc filtration device for their use. The filter was skid mounted and came with a slurry holding tank and piping instruments and covered a smaller area. The features of the new filter included:

- A completely enclosed filtration device with elements arranged horizontally

- Offering filtration area of up to 100 sqm
- Centrifugal discharge with 100% heel filtration
- Filtered mass physically separated from the slurry that got deposited, making it easier to separate the filtered mass
- Offers batch and continuous processing possible
- Operational hazards were reduced significantly
- Faster filtration rate with lesser downtime for cleaning and maintenance

At GMM Pfaudler, we put a lot of emphasis on trials at our facilities and client site before we recommend using our products. We did the same for **Funda® Filter** as well. A trial unit was installed at the client site and overseen by our process expert. Multiple trials were carried out, and performance at scale was tested before the filter was deployed for regular use.

**MAVASPHERE® Spherical Dryer 4th Generation Drying Technology Industry**

A large pharmaceutical firm dealing in formulations and APIs, primarily in India and the USA, with 40 manufacturing facilities, was facing a challenge in manufacturing one of their drugs. This drug is regarded to be one of the hardest to dry due to its tendency to develop lumps while drying. The traditional Tray dryer technology used to manufacture the drug took about 100 hours of drying and involved several steps. This was causing

several challenges for the company, including slowing down expansion, increasing capital investments (CAPEX), operating expenditures (OPEX) and safety hazards causing production bottlenecks, resulting in a high 'Cost of Ownership' and low 'Return on Investment.' The company approached GMM Pfaunder to help develop a solution to address their issues and improve operational and financial efficiencies.

**Our approach**

We undertook a detailed study of the fundamental technology, process flow, and existing limitations in the client's manufacturing process that involved multiple milling and drying cycles, each using different equipment. The GMM Pfaunder team deployed the MAVASPHERE® Spherical Dryer technology as a pilot to evaluate the potential of replacing the traditional method.

**Steps to transform the existing process**

Mobile pilot MAVASPHERE® machine installed for trials and evidence collection for scale-up

Pilot unit (with a working volume of 100 L) included a Spherical dryer as well as a Vacuum and Solvent Recovery system

A process specialist installed the unit onsite and assisted the client in optimising trials for various items to ensure consistency in performance

The acceptance criteria (PPM and particle size) was achieved in less than 24 hours using a single stage and no external milling

The success of the pilot installation paved the way for the deployment of MAVASPHERE® as the solution to replace the existing drying setup.

**Benefits**

MAVASPHERE® proved its mettle and offered an alternative to lower cost of ownership and increase returns on investment by reducing:



The new solution reduced drying time by one-tenth (from 72 hours to under 8 hours) and saved space, time, and money incurred in their previous setup. The new solution allowed for quick

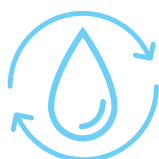
changeovers and maximized yields. It reduced the current footprint by 80%. Being an enclosed system, the operational hazards were minimal.

With these conclusive findings, the client placed an order for three MAVASPHERE® Spherical dryers in SS 316 with a working volume of 2KL for their various factories in India.

**Pfaunder Waghäusel reduced CO<sub>2</sub> emissions by over 85%.**

One of our international facility, Waghäusel plant has reduced its carbon footprint by 85% by replacing all the Ceiling lighting system with LEDs, BUS technology and by making use of smart sensors to adjust the lighting system as per the brightness, footfall and time. And the Old illumination system is sent to authorized recyclers.





### Water Management

Water is critical for our business, and we are committed to using it prudently. We draw on ground water and third-party sources to source the water we need for our operations across

manufacturing facilities, offices and other purposes. Our operations generate waste water as part of the manufacturing processes. We have structured policies and measures to responsibly treat

and recycle waste water for reuse or discharge it following the standards set by the Pollution Control Board of India.

### Total Water Withdrawal & Consumption

Type of source (e.g. groundwater, surface water, tankers etc.)	Units	FY21	FY22
Groundwater	m <sup>3</sup>	11,910	14,735
Third-party water	m <sup>3</sup>	120	15,811
<b>Total water withdrawal</b>	<b>m<sup>3</sup></b>	<b>12,030</b>	<b>30,546</b>

In FY22 our water consumption was 30,546 m<sup>3</sup>, up from 12,030 m<sup>3</sup> in the previous reporting year due to the addition of new manufacturing facilities in Hyderabad and Vatva.

### Reducing Impact

We undertake several measures to monitor and reduce water use across our operations. An annual study of Environmental Aspects & Impacts within our premises helps identify various impacts of our current levels of water consumption. This procedure is established and implemented as per ISO 14001 certification and requirement. We recycle and reuse waste water for hydro testing, a process to check the quality

of products. The water is stored in large tanks and reused during multiple testing cycles for hydro testing. Water that cannot be used further is sent to our in-house Sewage Treatment Plant (STP). The treated water is then used for gardening, urinal, and toilet blocks. By installing sensor-based bore operation control systems and sprinkler systems and replacing regular taps and valves with push-type substitutes, we have been able to regulate the amount of water used.

At our Karamsad plant, the domestic waste water is treated using Sewage Treatment Plant (STP) and helps us to reduce fresh water consumption to around 450 KL/month for gardening.





### Waste Management

Our operations and manufacturing processes generate non-hazardous wastes such as paper, food, Metal scrap, rubber scrap , wooden scrap and other scrap

materials and hazardous wastes like used oil and paint sludge.

We are transforming our processes and adopting other measures to reduce waste generation.

All our manufacturing sites across India are working to meet our stated goal of all the manufacturing sites to achieve the Company's standard for zero disposal by 2025.

### Total waste generated

Parameter	Unit	FY21	FY22
Plastic waste	MT	-	-
E-waste	MT	-	-
Bio-medical waste	MT	0.001	0.004
Construction and demolition waste	MT	685	94
Battery waste	MT	0.35	1.3
Radioactive waste	MT	-	-
Hazardous waste	MT	3	0.29
Non-hazardous waste	MT	1563	2305
<b>Total</b>	<b>MT</b>	<b>2,251.35</b>	<b>2400.63</b>

In FY22, we generated 2400.63 MT of waste, up from 2,251.35 MT in the previous reporting year with the addition of new manufacturing facilities in Hyderabad and Vatva.

### Reducing Impact

We are transforming our linear waste models to designing new models that ensure optimal use of resources and minimal waste generation. Our facilities have adopted an integrated waste management approach, including source segregation, safe management, and

responsible disposal. The waste is segregated at the source and disposed of through authorized pollution control board vendors. Battery Waste and non-hazardous wastes are recycled through respective designated vendors.

We aim to adopt greater circularity across our operations by sourcing

environment-friendly materials, reducing waste generated, and collaborating with waste management agencies to establish an exchange matrix for all value wastes. Additionally, we are working to establish last-mile traceability across all our waste streams to understand and validate the end use of our waste.

## Waste Diverted (in MT)

Category of waste	Unit	FY21	FY22
(i) Recycled	MT	1,566	2,306.3
(ii) Re-used	MT	685.27	94.17
Incineration	MT	0.001	0.004
<b>Total</b>	<b>MT</b>	<b>2,251.27</b>	<b>2,400.47</b>

In FY22, the volume of waste diverted stood at 2,400.47 MT, up from 2,251.27 MT in the previous reporting year.



## Environment Sustainability

At GMM Pfaudler, we have focused on maintaining and preserving the biodiversity right from our inception. We believe if proactive measures are not implemented at the initial stage, these risks have substantial implications on air quality, water quality, and marine biodiversity.

### Restoring marine coral reefs in the Andaman Island with ReefWatch Marine Conservation

The Andaman and Nicobar Islands are one of India's four key coral reef areas and support over 1200 fish and 400 coral species. However, coral reef ecosystems worldwide and in the Andamans are under tremendous pressure today from threats such as Global warming, ocean acidification, deteriorating water quality, overfishing and physical damage from extreme weather conditions, and irresponsible development and tourism. GMM Pfaudler has partnered with ReefWatch Marine Conservation in the

Re(ef) Generate projects which aims to pilot the restoration and rehabilitation of corals in the Andaman Island by creating conducive conditions for them to thrive.

GMM Pfaudler has actively supported this program since 2018 which has shown steady progress and growth.

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

- Re(ef)Build uses physical and biological restoration methods which involves attaching naturally broken

coral fragments onto metal structures underwater that are connected to a mineral accretion device to help them grow faster into an extension of the natural reef

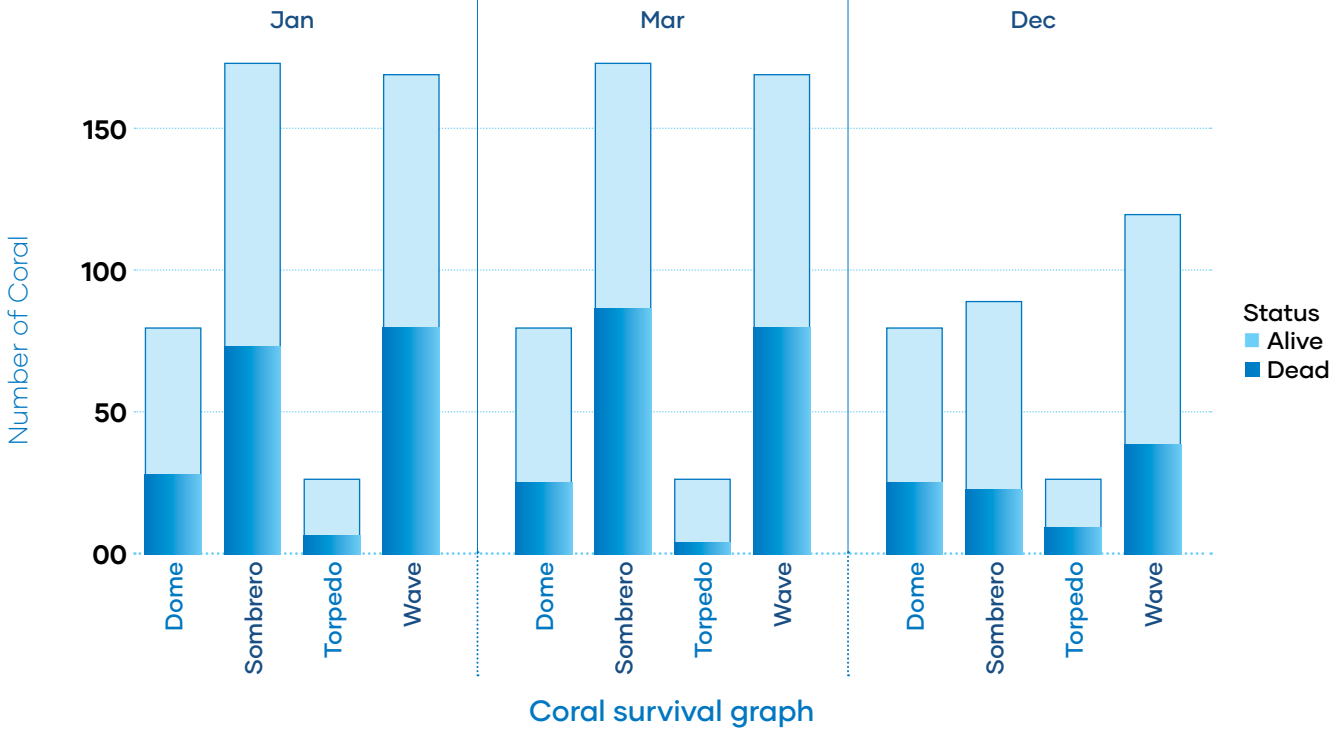
- Under the Re(ef) Grow philosophy, genetically stronger and more resilient corals are grown in a lab and then transplanted onto the above-mentioned artificial reef structure

**Key Developments for FY21**  
 The **mineral accretion device** installed April 2021 shows an average growth of approximately 9 cm for branching coral and about 2.5cm for boulder corals.

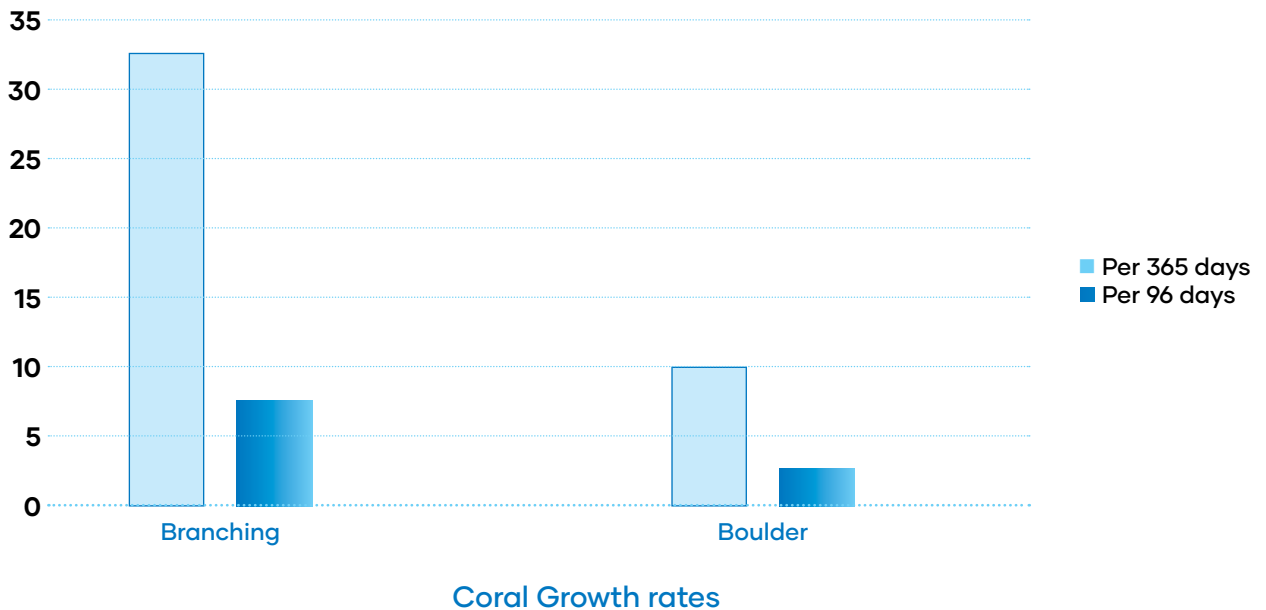
On an average, the growth rate is projected at about 30cm for branching coral and 10cm for the boulder corals. The research shows that coral is growing at a projected rate

of about 30cm for branching coral and around 10cm for boulder coral per year.

Coral fragments survival data [SAMPLED IN 2021]



Growth rate



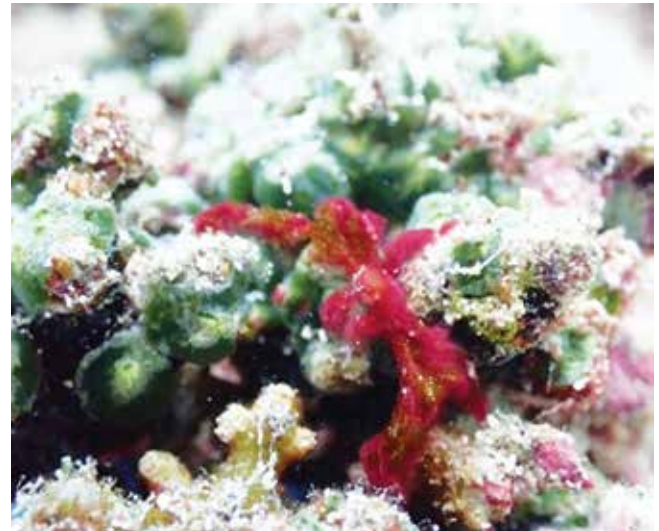
● **Marine Life** - There has been significant progress on the artificial reef, with a marked increase in fish species over the last year. This is a direct effect of the growing dominance of coral

aided by the presence of the mineral accretion device. The corals also saw the presence of the rare orangutan crab. Another regular visitor on the reef has been a school of predator Bluefin Trevally fishes.

The presence of mid-level reef predators is an excellent sign of the artificial reefs growing ecosystem function.



Bluefin Trevally



Orangutan Crab



Marine habitat at Andaman



Base unit at Andaman

● **Volunteer program** - 8 volunteers from various parts of the country were engaged on a long-term basis to share their experiences in marine biology, life sciences, graphic designs, diving, and marketing. The team conducted a recce trip to North Andamans to explore options of establishing a coral restoration project in Mayabunder.

● **Re(ef) Generate Course** - A three-day restoration course was initiated which is an introduction to coral restoration for advanced level drivers. 10 individuals had registered for the course who were trained in 10 budding conservation and restoration techniques used in Andamans.

● **Coral Reef Ecology Workshops** - In the off-season and midst of Covid lockdowns, six interactive art-based workshops on topics such as coral reef ecology, turtles, sharks, whales' intertidal zones and the deep ocean for a period of three months. The workshop was organised for the children between the 7-12 years of age.



**Protecting Biodiversity - Karnataka Marine Megafauna Rescue**

Karnataka has a coastline of about 320 Kilometres and is one of the 9 coastal states and 4 union territories that form the coast of India with several transient species of Marine Megafauna including endangered and vulnerable species.

Humankind has been nurtured by nature for millions of years. Today, the onus is on every one of us - the government, corporates, and citizens - to do what we can to resurrect the biodiversity around the world and nurse back our ecosystems to health.

One of the projects we are most proud of is Karnataka Marine Megafauna Rescue project in partnership

with ReefWatch Marine Conservation. This project looks to reverse the negative impacts of Marine Megafauna Strandings, which are events where marine animals are found dead or alive onshore and unable to return to the water.




Number of strandings rescued and rehabilitated		
	Sea Turtles	30
	Cetaceans	12
	Sea Birds	1
	<b>Total</b>	<b>43</b>

Table describing the total number of strandings rescued and rehabilitated in FY22



Successfully treated and rehabilitated Sea Turtle released in the sea at Kodi, Kundapur



Sea Turtle treatment tank set up in Kundapur





Treatment provided to Olive Ridley Sea Turtle stranded on the beach due to net entanglement and rough seas

Since the beginning of the project in 2019, 124 cases of marine strandings were attended and successfully rescued and rehabilitated. Apart from attending strandings the team also participated in sea turtle nest

and hatchery monitoring. A total of 646 Olive Ridley Sea turtle was hatched and safely guided to the sea. Many rescued marine species were taken to the Reefwatch Rescue and Rehabilitation

Center at Kundapur and released into their natural habitat after recovery.

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.

**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.**

For further information about Reefwatch Marine Conservation please visit: [www.reefwatchindia.org](http://www.reefwatchindia.org)



**Sustainable Sourcing**

The nature of our business dictates that we need to work with multiple supply chain partners to procure the inputs we use. Most input raw materials are procured from designated suppliers from whom we need to source

as per our agreements with customers. Despite this, wherever possible, we make efforts to use partners closer to our facilities to reduce carbon emissions associated with transportation and storage and manage costs better.



**Environmental Compliances**

Our project sites have obtained the necessary approvals from local authorities needed for running operations. All our sites comply with the various statutes, rules, and regulations applicable to our Company.

During the year, there were no incidents of non-compliance, and no fines were imposed on our sites.

**Social**

**AT** GMM Pfaudler, led by our vision to create a better future, we are committed to fostering holistic and inclusive growth for all our stakeholders beyond delivering best-of-breed offerings to our customers.

Engaging and making our employees, supply chain partners, customers, and the community part of our sustainability-led growth

journey is critical for the continued well being of our Company.



**Employees**

The success story of GMM Pfaudler is a result of the abilities and contributions of our employees. It is their commitment and efforts that bring our goals to fruition. We provide a meritocratic workplace that provides equal opportunity and

encourages excellence irrespective of race, religion, color, nationality, gender, age, disability, etc. Multiple professional growth and development opportunities and competitively benchmarked remuneration and benefits are key in helping us attract the right talent. Our comprehensive people policies are designed to make every one of our employees feel secure and confident. Given the nature of our operations, we have a

relentless focus on measures that ensure the health and safety of our employees. A well-defined Code of Conduct guides and mandates ethical and inclusive behavior across our operations, including our subsidiaries and the value chain.

A Whistle Blower Policy empowers our employees to raise concerns about any unlawful or unethical activity or violation of the Code of Conduct without fear of reprisal.

### Workforce diversity

A vibrant workforce needs the diversity of capabilities, expertise, gender, age, and experiences to bring distinct strengths that come together to foster innovation and productivity in the workplace. At GMM Pfaudler, we offer our employees a safe and fair workplace that is free of discrimination of any form and

embraces diversity to serve as a strategic growth lever.

With a focus on enhancing gender diversity, which is not very prevalent in the manufacturing sector in India, we are gradually increasing the percentage of women in our workforce.

We are deploying measures and designing policies to

ensure a safe workplace for our employees, especially female team members. Regular training on the Prevention of Sexual Harassment (POSH) creates awareness and sensitivity around acceptable behavior in the workplace.

More details on the Code of Conduct & Ethics Policy, POSH & Whistle Blower Policy are available at our website: <http://www.gmmpfaudler.com/investor-relations-policies-programmes.php>

### Employee Break-Up: FY22

Year	Employee Type	Employee	Age Group (no.)			Gender (no.)	
			<30 yrs	30-50 yrs	>50 yrs	Male	Female
FY21	Permanent	624	148	423	53	588	36
FY22	Permanent	743	171	521	51	707	36

70% of our permanent workforces are in the 30 to 50 age group, and those below 30 form a significant 23%. This brings about a good balance of experience within the organization.

### Hiring and Turnover

Year	New Hires	Age Group (no.)			Gender (no.)	
		<30 yrs	30-50 yrs	>50 yrs	Male	Female
FY21	114	30	75	9	109	5
FY22	201	67	129	5	194	7

### Attrition

Year	Attrition	Gender (no.)	
		Male	Female
FY21	27	25	2
FY22	74	67	7

**Equal Opportunity & Pay**

Our efforts to attract more women to our workplaces are supplemented by benchmarking salaries and making them relevant to qualifications, experience, and abilities. Beyond these, no considerations,

including gender, impact our compensation patterns and levels. The total remuneration includes basic salary and any additional amounts paid to an employee. Factors considered while deciding on additional benefits include years of service, bonuses

including cash and equity such as stocks and shares, benefit payments, and other allowances, such as transportation.

**Ratio of Basic Salary and Remuneration of Women to Men**

Employee Category	Officers	Staff
Ratio of Basic Salary of Women to Men	1.01	1.08
Ratio of Basic Remuneration of Women to Men	0.99	1.07

In FY22, the average basic salary and remuneration for both men and women were almost comparable for officers, and the average for women staff was higher.

**Employee Benefits**

We provide employees with support and benefits to meet their life needs better. This includes financial benefits for care paid directly by the Company or reimbursed.

Other supportive leave policies include the provision of parental leave. We also encourage employees to take time off to support their personal needs.

We have provisions for additional benefits for injuries that may occur while on duty and financial and other support mechanisms for dependents of employees who may have any fatal incidents.

**Return to work and Retention rate of Permanent Employees who availed parental leave**

Gender	Return to work rate	Retention rate
Male	100%	75%
Female	100%	66.7%
Total	100%	73.3%

### Training and Development

Comprehensive skill development programs are crucial to equip our employees to deliver on client expectations and conduct disruption-free operations. As several of our manufacturing processes are labour-intensive, the skill sets and competencies of our employees play a pivotal role in ensuring processes are executed seamlessly and accurately to maintain the quality of our products.

Additionally, as we expand our footprint, we are mindful of the need to groom our talent to take on larger responsibilities and leadership mantles to steer the Company into the next stage of our evolution.

Our learning endeavors focus on leadership development, functional and operational skills, and executive coaching programs.

Ongoing training programs impart functional and technical skills to our employees to ensure we

maintain product quality, enhance productivity and safety of our operations, and minimize losses. Additionally, we have run several self-paced and instructor-led programs in partnership with reputed external trainers like Harappa Education and Knolskape. These programs focus on the personal and professional development of our employees through modules on self-improvement, leadership, critical thinking, and project management, among others.

### Hiring Right

We seek behavioral competencies in our employees that can lead them and our Company to success. This is why enabling our hiring managers to recruit people who align with GMM Pfaudler's DNA and values were important. We trained our hiring managers on **Competency-Based Interviewing (CBI)** and equipped them with a tool kit, which included sample questions and interview assessment forms to ascertain the qualities of candidates that would make them the right fit for the Company.

## GMM Pfaudler Learning Programs (Neev)

### Talent Accelerator Program, in partnership with Harappa Education, for individual contributors

The program focuses on strengthening success behaviors to lead oneself through a digital learning journey. It combines self-paced online courses and live masterclasses with tests to assess knowledge recall and application. The program aims to establish a growth mindset, build a strong work ethic, develop clear and confident communication skills and

commit to being a valuable team member. Pre and post-program assessments were designed and administered to help determine the effectiveness.

### Leading For Success Program in partnership with Harappa Education for team leaders

The Leading For Success Program for our team leaders aims to develop managerial capabilities to lead oneself and teams through a multi-modal digital journey combining

self-paced online courses, live masterclasses, and tests to assess assimilation and application of knowledge. The curriculum focuses on developing self-awareness, project management and prioritization skills, commitment to growing team members, improving productivity and quality, conflict management, and building trust. Pre and post-program assessments tracked the effectiveness of the learning.



**Path to Progress Program in partnership with Knolskape for strategic and operational leaders**

The Path to Progress program for our strategic and operational leaders focused on strengthening the leadership capabilities of our

current and future leaders through an experiential and simulation-based learning journey focused on the GMM Pfaudler's DNA for success. The program design enabled participants to learn and apply leadership concepts in simulated environments.

Action projects enabled the application of learning on the job to create tangible outcomes. A pre and post-program 180-degree feedback demonstrated a positive shift in leadership behavior for the group.

**Transparent and objective Performance Evaluation and Appreciation**

We recognize the importance of contributing to our

employees' growth and welfare. Therefore, we have implemented various initiatives to engage and interact with them to

understand their expectations, deliver on them, and recognize their contributions objectively and fairly.

**Situation-Behavior-Impact (SBI) Model**

Employees can make timely and ongoing performance improvements if they are provided periodic and objective feedback about what they are doing well and where they could improve. We use an **SBI** model to provide employees with constructive and actionable performance feedback during mid-year and final appraisal discussions. This year, a workshop was conducted for people managers to train them on using the SBI model to make the performance evaluation and sharing process more objective and transparent.

We have a robust feedback mechanism to enable our employees to receive and understand their areas for improvement. This is complemented by similar opportunities given to employees to share feedback on various aspects of the

workplace to help design action plans to create positive changes in our systems, processes, and workplace culture.

At GMM Pfaudler, feedback does not only mean pointing out and correcting errors. It also includes the timely

appreciation of employee contributions and keeping them engaged and motivated. Some of the initiatives we conduct for engaging our employees through feedback, rewards and recognition, and performance evaluation include:

<b>Parivartan</b>	Annual employee engagement survey and action planning	Parivartan, GMM Pfaudler's online employee engagement survey is a medium for our employees to share their opinions and give us insights on what we need to do to make our workplace more engaging and productive
<b>Talent Review &amp; IDAP</b>	Career progression & Succession Planning	Hi-potential talent and successors for critical positions are identified using this program so that they can be provided a planned career progression through the creation and implementation of Individual Development Action Plans (IDAP)
<b>iAppreciate</b>	Reward & Recognition platform	Reward & Recognition (R&R) is a leadership tool that sends a message to employees about what is important to the leaders and the behaviours that are valued. Through iAppreciate, we encourage managers and the leadership team to reward and recognize the right behaviours. We encourage collaborative teamwork, and this platform provides an avenue for employees to appreciate the good work done by their peers

### Human Rights

GMM Pfaudler provides equal opportunity to all its employees and do not discriminate on any grounds. Our comprehensive Code of Conduct includes our human rights policy. It forbids child, forced and compulsory labor,

and discrimination based on age, gender, caste, nationality, or any other grounds. All employees undergo relevant training to understand and take forward the Company's human rights commitments.

The same principles of conduct apply to our supply chain partners, sub-contractors, and other value chain partners.

### Workplace health and safety

As manufacturing is our core operation, workplace safety is of paramount importance to GMM Pfaudler. A safe workplace is imperative for seamless and disruption-free operations and employee health and wellbeing. Occupational Health and Safety (OHS) is a major focus area for GMM Pfaudler. Our Environment, Health, and Safety policy is implemented across all locations. We provide a safe workplace environment and maintain healthy and harmonious industrial relations with all employees (including contract employees).

Some of the measures taken by our team include mandatory usage of the personal protective equipment (PPEs) as per the work requirement, availability of a counselor for mental wellbeing, and adherence to all the safety standards across different business functions to minimize the likeliness of workplace hazards.

Our workplaces are equipped with health centers, ambulances on call, first aid boxes, trained first aiders, and firefighters. We carry out mock drills to sensitize our employees on emergency

response and conduct training on workplace safety and health. New employees undergo a mandatory pre-employment health check, while current employees undergo health check-ups on an ongoing basis.

We have established the HIRA (Hazard Identification and Risk Assessment) procedures at all our manufacturing locations, with all necessary standard operating procedures (SOP) in place as per guidelines. The Karamsad manufacturing facility has been ISO 45001 certified, while the Hyderabad and Vatva sites are due for certification.



**Highlights, FY22**

- PPE kits provided after assessment
- Hazard Identification & Risk Assessment carried out as per HIRA framework
- Safety Committee formed with staff and workers included as members
- Safety talks conducted at shop floors
- Safety observation plant round
- Guards provided around all grinding machines
- New lifting tools and tackles with test certificates procured
- Ambulances provided for medical emergency

**Health and Safety Training for Employees and Contract Workers**

A national safety week campaign was kicked off on March 1, 2022 covering employees at all the facilities. The campaign aimed to deepen the safety culture across the organization. It began with the distribution of safety tags to all employees and hosting an engaging drawing competition on safe practices. A special team created awareness of and educated team members on

safety standards that must be followed when working with heavy machinery. The event also saw sessions devoted to firefighting and rescue operations.

Halfway through the campaign, employees hoisted a Safety flag and pledged to embed safety habits within their operational discipline. An online quiz allowed employees to test their understanding of

safety practices, and three winners were announced. Health checks and medical assistance were offered to employees as part of the annual medical camp.

In FY22, GMM Pfaudler provided health and safety trainings to 100% of all its workers.



**Suppliers**

Since our inception, we have built and maintained enriching relationships with our supply chain partners. They are critical to helping us deliver on our quality and time-to-market commitments.

We have not experienced a single breakdown of the value chain in all these years. This testifies to the strength of our relationship with them and their high level of professionalism.

We expect our suppliers to adhere to our principles of sustainable and ethical growth and operating standards. We carry out a vendor capability assessment

before appointing a supplier. We have created a Supplier's Code of Conduct to ensure that the expectations are set and they follow the same guidelines that apply to the rest of our operations. Once onboarded, we run vendor capability assessments periodically for performance, conduct regular site visits and engage our suppliers through various platforms.

We have stringent anti-corruption guidelines that apply to our supply chain as well. Numerous checks and balances have been put in place to prevent bribery, extortion, graft, etc., that go against our Code of Conduct. In line with our ESG-led growth goals, we encourage and equip

our suppliers to undertake responsible sourcing initiatives and maintain ethical and transparent value chains in turn.

**More details about our supplier code of conduct can be found at:**  
[https://www.gmmpfaudler.com/file/Suppliers\\_Code\\_of\\_Conduct.pdf](https://www.gmmpfaudler.com/file/Suppliers_Code_of_Conduct.pdf)

### Sustainable procurement

We run our operations in a way that causes minimal impact on the ecosystem, and our suppliers are happy to partner with us in this endeavor. We encourage our suppliers to source raw materials responsibly without harming the environment and the community, keeping their employees' health and safety in mind. In line with our sustainable procurement policy, we encourage our

entire value chain, including suppliers, transporters, contractors, and business partners, to:

- Enhance sustainability through the implementation of the Code of conduct while promoting fair and ethical business practices
- Protect the environment and work towards minimizing adverse impacts through innovative solutions
- Partner with suppliers, vendors, and business partners to improve processes

- Build a sustainable business by promoting sustainability practices across the value chain in cooperation with business partners
- Protect people working across the supply chain by enhancing safety awareness
- Adhere to the applicable rules and regulations, and always fulfill the legal requirements throughout the value chain
- Minimize social imbalance through Corporate Social Responsibility initiatives



### Customers

We take great pride in the quality of our products and services made possible by our employees and the supply chain. Our customers have relied on our product quality and safety for years. We keep abreast of their changing requirements and leverage our innovation and technology

leadership to deliver on customer expectations of quality and reliability and deepen trust.

We continually seek customer feedback to enhance the quality and performance of our products and offer them an array of communication channels to reach us with their

grievances. These channels include our website, customer meets and satisfaction surveys, helpline numbers, and technical support. We have robust policies and systems to ensure the data privacy of our customer information.

Improving lives and livelihood



**G**MM Pfaudler is committed to creating maximum positive impact by envisioning a bright future for the communities we operate in. We firmly believe that we are responsible for improving and enriching these communities' lives and playing a part in their social & economic development and environmental sustainability.



## Improving lives and livelihood

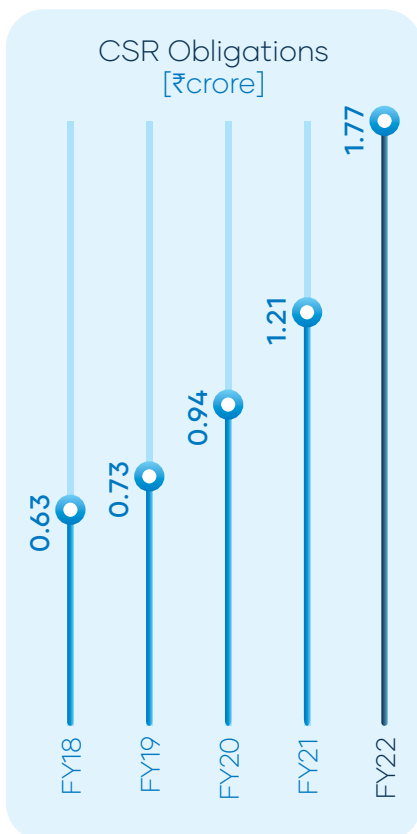


We contribute time, expertise, and resources to help enhance the economic and social capabilities of the underprivileged working with local communities. Our CSR activities are concentrated in and around the areas where we operate. We also support activities in other locations on a case-to-case basis.

Through strategically designed and diligently executed projects, we have been working to achieve the UN SDGs to bring about holistic and inclusive growth for many.

**For details of our CSR policy, please log on to:**

<https://www.gmmpfaudler.com/file/CorporateSocialResponsibilityPolicy.pdf>



### About GMM Pfaudler Foundation

GMM Pfaudler Foundation had been set up as a GMM Pfaudler Foundation has been set up as a wholly owned subsidiary of GMM Pfaudler Limited under the provisions of Section 8 of the Companies Act, 2013, to carry out and implement the **Corporate Social Responsibility (CSR)** initiatives

of GMM Pfaudler and its group companies. The Foundation is a non-profit organization and is working towards sustainable development and inclusive growth and will focus on issues relating to healthcare, education & skill development, and environmental sustainability.

**Moving a step forward:** GMM Pfaudler Ltd. has incorporated the GMM Pfaudler Foundation to support the Company achieve the maximum impact on the targeted beneficiaries.



### Healthcare

We have dedicated resources to broadening access to quality healthcare and rolled out several initiatives to deliver affordable and preventive healthcare and alleviate malnutrition in local communities.

#### Contribution to fight Covid-19

GMM Pfaudler has provided relentless support to Shree Krishna Hospital that has proven to be critical in the fight against Covid-19.

1000 bed Shree Krishna Hospital in Karamsad-Gujarat, being the largest charitable private hospital in the region between Ahmedabad and Vadodara, was identified as designated Covid-19 district hospital. GMM Pfaudler contributed to Shree Krishna Hospital towards setting up and enhancing facilities at the Covid care center.

With support from GMM Pfaudler the hospital was able to enhance its existing critical care center by adding 40 motorized ICU beds, providing life-saving equipment and strengthening the centralized oxygen supply system at the hospital. With this unstinting support from GMM Pfaudler the Hospital was able to treat 10,000 Covid-19 patients during the first pandemic period and 6,000 patients during the second wave of the pandemic.

Mr. Sandeep Desai, CEO of Charutar Arogya Mandal acknowledged "GMM Pfaudler recognizes the impact it

has among geographies it operates in and has always contributed towards its responsibility of safeguarding the lives of people in these communities. When our country was witnessing a second surge of Covid cases, which was prolonged and more serious in nature, it placed larger challenges on the health-care infrastructure facilities even in smaller towns and villages. GMM Pfaudler's contribution helped Shree Krishna Hospital for the treatment of critical patients against this deadly virus."



### Providing modern healthcare to the local village communities through Project SPARSH

GMM Pfaudler has partnered with Charutar Arogya Mandal at Karamsad, Gujarat to provide modern health care facilities to the local communities through **Project SPARSH**.

Shree Krishna Hospital Programme for Advancement of Rural and Social Health (SPARSH), implemented by Charutar Arogya Mandal in the Anand, Kheda and Panchmahal districts, aims at connecting the last person in the villages with 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.

SPARSH 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. Over 150 villages are benefited from the program from which GMM Pfaudler supports the activities of 100 villages. 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.

Through Project SPARSH, a total of 11,563 patients were reached through 604 camps since 2016. During FY22, in the villages supported by GMM Pfaudler, 6,938 beneficiaries were reached through 317 medical camps. A total of 1,884 patients were screened for Hypertension, 849 were screened for Diabetes and 197 new Non-Communicable Diseases (NCD) were registered through medical camps.

GMM Pfaudler provided financial assistance to Charutar Arogya Mandal for setting a mobile health unit. This mobile health unit, one of the most important initiatives taken under Project SPARSH, is being used to provide free medical diagnosis and basic treatment. The Mobile Clinic has full-time doctors and about 4 paramedics and healthcare workers at any given point of time and will covers about 4 villages every day.

During the year, a total of 159 camps were conducted in the Mobile Health Units. Approximately 65 patients underwent fungus examination, 48 underwent Diabetic foot assessment & 8 patients underwent mobile ECG at the camp settings through mobile units.



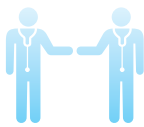
## Summary of new initiatives taken under project SPARSH during FY22



**Telepsychiatry component** has been implemented in collaboration with the Department of Psychiatry according to the Government guidelines. A total of 109 new consultations along with medications had been completed during the year.



**Teleconsultation component** has been implemented across 100 villages in collaboration with Department of Medicine, all uncontrolled and enrolled patients of SPARSH could assist free consultation with the Medicine Faculty. MHT camps, a separate slot for video consultation was arranged in presence of physician and Assistant Medical office. A total of 38 new consultations were done during the year.



**A separate Palliative team** comprising of a trained GNM, a social worker and a visiting Medical Officer has been constituted. The emphasis was led on strengthening the social care domain.



**Training of VHW's** was done to take care of mild/asymptomatic Covid-19 positive patients. As per ICMR, State government guidelines VHW's were trained and a booklet of essential care was developed and distributed among them.



**Surveys about Covid-19** infection trends and vaccination status were undertaken.



**A booklet on various success stories** in SPARSH villages was developed and distributed among the key stakeholders of the villages.

Charutar Arogya Mandal (CAM), a charitable trust set up by the late Dr. H. M Patel, has been working for providing modern and professional healthcare to the rural community in Anand and Kheda districts of Gujarat for over 3 decades.

**CAM manages Shree Krishna Hospital, one of the largest (950 bed), modern and professionally run institutions in Gujarat along with Pramukhswami Medical College, the KM Patel Institute of Physiotherapy and GH Patel School of Nursing among other educational institutions at its 100-acre campus in Karamsad.**

For more information about Charutar Arogya Mandal please visit: [www.charutarhealth.org](http://www.charutarhealth.org)

## Impact Assessment

The Company appointed an independent impact assessment agency to understand the impact of the healthcare interventions on its beneficiaries; assess the program on the benchmarks and make recommendations for course correction, if any.

- Methodology:** Impact assessment of Project SPARSH was conducted in 2 phases. The first phase was implemented by using Focused Group Discussions of a selected sample size comprising of 50 people from the community beneficiaries and 2 from the Mobile Health Teams. The second phase included in-depth interviews with the all the stakeholders of the Project (including the SPARSH management team up to

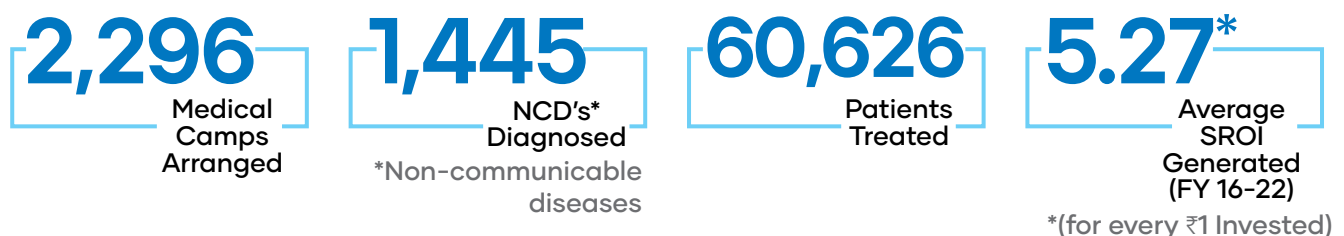
the Village Health Worker) to understand how the community benefited from the interventions in terms of awareness, accessibility, and affordability of health care services.

- Findings:** Findings indicated that SPARSH prides itself on being the first programme that has taken health care to the doorstep of even the last person in the village. The beneficiaries were satisfied with the curative services provided and feel confident as they are closely monitored and that the Village Health Workers know them personally. 90% of the beneficiaries testified that prior to SPARSH they had no access to healthcare facilities. People preferred enrolling in the SPARSH

program rather than the government NCD program because of the technical capacity of the staff and the association with the Shri Krishna hospital.

The programme has performed well by generating a positive impact by making health services available to the population to whom it was inaccessible before. The Social Return on Investment (SROI) was at its peak during FY20 at ₹10.18 for every Re.1 invested by the Company. However, the project struggled during the pandemic as due to the lockdown and restrictions imposed by the government fewer patients took the benefit which affected the SROI during FY21. With improvement in the Covid situation, the activities of the program have been normalized and SROI has shown improvement.

### Project SPARSH 5 years outreach





SPARSH is an established programme in Anand District, receiving the appreciation and trust of the population. It has been conducting a significant healthcare work with the diagnosis and treatment of NCDs.

The impact assessment has shown the satisfaction of the beneficiaries with the skill of the staff and the personal care. The SROI has illustrated the effectiveness of prevention and early diagnosis when compared

to the treatment after complications occur, generally much more costly in terms of psychological and economical resources.

### Testimonials

I remember very well this lady, she was an old woman who was all alone, there was no one to help her. I took her to emergency as she was in need of immediate medical attention due to diabetes. I was happy that I could help her - **Village Health Worker**

There was an uncle, who was suffering from an illness for which he couldn't walk. We hosted a camp near his neighborhood and he started the treatment with us. He recovered fast from his illness, and suddenly, he is able to walk again. It feels so good to see that. Whenever he meets me now, he stops to greet me properly - **Village Health Worker**



Consultation at Camp



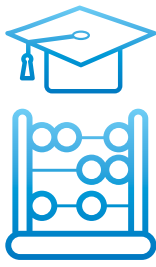
Free medical checkup by Village health workers



Palliative care Follow up



Consultation by village health workers



### Education & Skill development

Education and skill-development are critical to the socio-economic progress of India. At GMM Pfaudler, we understand the importance of educating our local communities, especially children from underprivileged regions and societal segments. Skill development to help the nation's youth access more livelihood opportunities is another focus area of our CSR activities.

#### J.V. Patel ITI

GMM Pfaudler has partnered with JV Patel Industrial Training Institute ("JVP ITI") to promote education and skill development in the local communities and thus enhance their employment prospects.

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

Further, JVP ITI is an approved "Training Centre" under the "Pradhan Mantri Kaushal Vikas Yojana" (PMKVY 3.0) to impart skill development training to school and college dropouts or unemployed youths. The

Institute also conducts MoU based short term courses.

Under PMKVY 3.0, the institute has started 3 courses namely solar panel installation, fitter fabrication and draughtsman mechanical from March 1, 2021. A total of 150 students, divided into 5 batches have been enrolled. The institute recorded a pass percentage of 98% for the students enrolled under PMKVY.

This program is designed to meet UN SDG4, which aims to "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all." It equips participants to secure jobs in the technical domain, either in the government or private sector.



Skill-development at JV Patel Industrial Training Institute, Karamsad, Gujarat

### Highlights, FY22

- 100% admissions achieved in all the NCVT trades, with only nine seats in the turner trade (TEB) lying vacant
- Nine Memorandum of Understanding (MoU) signed for industrial visits and for hiring students as apprentices
- One MoU with the Bhaikaka University for healthcare education
- Four on-campus and three off-campus interviews conducted
- Two-day Covid vaccination program conducted at the Institute
- Seminar on "employability skills" for the students
- Two-day workshop on "Augmented & Virtual reality" for students and staff
- Overseas program (focused on Poland) for alumni
- 43 students from the institute participated in various activities of the "Khel Mahakumbh 2022" organized by the Government of Gujarat

JVP ITI ranks 14 out of 24 amongst the urban and rural ITI's in Gujarat. In terms of pass percentage, the institute ranked 3<sup>rd</sup> in Anand District in 2020.

**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: <https://www.jvpitc.org/>

### Impact Assessment

The Company appointed an independent impact assessment agency to understand the impact of the technical training program on the lives and livelihoods of the students of JVP ITI and their families, assess the program against available benchmarks and make recommendations for improving the effectiveness of the existing program.

- **Methodology:** Impact assessment for J.V. Patel ITI was conducted using 'mixed method' spread over 2 phases. The first phase used a qualitative tool to collect data from 127 students that had passed out from the ITI in the last

5 years. The data from this group was compared with a group of 50 students presently studying at the institution. The second phase was a qualitative study that engaged 81 stakeholders using Focused Group Discussions and in-depth interviews.

- **Findings:** A total number of 1,056 students have been enrolled within different trade courses since last five years.

The results showcased that 44.9% of the students have passed out from the institute are working full time, 18.9% are working part time

and 11% are engaged in Apprenticeship/Internships. On comparing salaries of the treatment group (students who have passed out) with their expectations it was observed that there was an 8.5% increase in the median, showing that they are earning more than their expectations. There was a shift in the asset purchase capacity, with fewer members buying bicycles and more motorbikes, fridges, and higher use of the internet. Analyzing the human capital there was a clear improvement in the perception of their skills, participation

in family decision making, general knowledge and self-confidence.

Education of a technical nature ensures quick and proper placements in the industries surrounding Anand, where the ITI programme intends to impact the students' lives.

Once relieved of the theoretical burden and the cost of pursuing secondary education, which is replaced by a course with more hands-on practice, they can maximize the utility of their time and resources.

Sustainable Development Goal 4 is to "Ensure inclusive and equitable quality

education and promote lifelong learning opportunities for all". This programme has been sustained on the principle of SDG4 with its inclusive model where the participants are looking for secured jobs in the technical domain, either in the government or private sectors.

---

### Testimonials

Maine pitaji ki zameen chudwakar unka karza door kia aur poultry se unhone paise diye the wo wapas kiye - **Alumni, 2017**

All my children are settled, thanks to the training given in the ITI and now I can peacefully retire and do temple painting - **Parent of Alumni 2018**

---

Governance



**A**T GMM Pfaudler, we have always believed in having robust governance principles fortifying our business foundations. These principles deepen stakeholder trust and minimize disruptions caused by ethical or transparency issues. Our management team acts as trustees on behalf of every stakeholder. It strives to define strategic goals and enhance our capabilities to create sustainable value that meets their expectations. Therefore, they make continuous efforts to raise the level of transparency, trust, and confidence of stakeholders as they manage our operations. We endeavor to maximize shareholder value by utilizing our resources with accountability to meet the needs of our customers and commitments to partners, employees, government, community members, and other stakeholders.



### Board of Directors

The Board of Directors and Committees oversee the functioning of the Company and guide the management team and our operations to protect the long-term interests of stakeholders. In

addition, the Board ensures compliance with relevant regulations led by our Code of Conduct and ethical standards wherever our Company and subsidiaries are present.

Our Board comprises experienced and competent professionals who bring the strategic leadership and skills needed to grow our business led by our ESG goals.

Our Board consists of 9 Directors who are supported by five principal standing committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee

#### Enabling Governance Structures

The Nomination and Remuneration Committee reviews and approves the remuneration and oversees the diversity amongst the Board members. The Corporate Social Responsibility Committee provides oversight on community development and our Company's impact on its stakeholders.

Our Governance framework is based on the Company's core principles and taken forward by the Board's standing committees. The Committees ensure that we align our

execution framework to our short, medium, and long-term strategic intent, following the highest standards of corporate conduct, ethics, and transparency. The

standing committees provide oversight of all operational matters weaving in our ESG goals across every business goal and execution approach.

**A snapshot of our policies, procedures, and directives to achieve sustainable and holistic growth**

**Director’s familiarization Program**

Our Company has a structured mechanism to familiarize Independent Directors with the fiduciary roles and responsibilities of Directorship.

- Regular communication with Board members takes place through internal memos and communications, newsletters, and press releases, augmented by site/factory visits that are arranged periodically
- Presentations are regularly made to the Board as well as the various sub-committees of the Board, where Directors get an opportunity to interact with the Company’s senior managers on relevant matters of business, strategy, performance parameters, policies, and processes
- During FY22, 47 hours of training were collectively imparted to Independent Directors

Our management structure encourages effective leadership aligned with our governance standards and contributes to the creation of a transparent and ethical corporate culture. We manage our Company on a line-of-business basis while maintaining the corporate functions and governance of the subsidiaries.

Our Board of Directors is the senior-most management body responsible for developing and implementing corporate strategy along with managing the operations.

Our governance procedures and control mechanisms are designed to accelerate our sustainability journey with a focus on minimizing emissions,

safeguarding health and safety, and implementing stringent anti-corruption measures. Our policies are accessible to all employees. They receive periodic training to deepen their understanding of the policies and leverage them in their daily operations.

**Review Mechanism at GMM Pfaudler**



**Corporate Reviews**

- Compliance reporting
- Monthly Business review meetings
- Monthly supporting functions review
- Quarterly Internal audit
- ESG Steering Committee meetings
- IC review meetings
- Quarterly limited review audit & annual Statutory audit
- Quarterly Executive Risk Management Council meeting
- Quarterly/ half yearly Board Committee meetings
- Quarterly Board meetings

### **Sustainability Governance**

GMM Pfaudler's sustainability governance approach defines the goals and framework of its sustainability policy and monitors the progress of ESG-related programs. The Board of Directors provides leadership and oversight of our Company's sustainability mission and sets future goals.

The ESG Steering Committee (leadership team) is responsible for developing a sustainability strategy and ensures it is embedded across all business operations. It also looks at the effective management of stakeholders

and promotes collaborations to drive sustainable value realization. The respective department heads and their teams work towards implementation of ESG strategy and provides Steering committee with ESG data, inputs to the disclosures and analytics for decision making.

---

### **ESG Governance Structure and Team**

#### **ESG Steering Committee**

The ESG Steering Committee sets sustainability-related goals for the organization and steers our agenda on this front. The Committee formulates strategy and execution roadmaps in line with the ESG vision defined by the Leadership.

It provides specific guidance and operational insights to the ESG Working Groups, reviews public disclosures (ESG Report, Policies, other esg related presentation or reports etc.), and presents them to the Leadership or Board for approval.

The Committee also engages with stakeholders, including external rating agencies and auditors on topics relevant to our ESG performance and meets every quarter.

## Our Risk Management Practices



**T**HE GMM Pfaudler board has formed a Risk Management Committee (RMC) to oversee the implementation and effectiveness of the risk management framework as required by the Securities and Exchange Board of India's (SEBI) Listing Obligations and Disclosure Requirements (LODR). The Company's Audit Committee earlier oversaw the framework.

## Our Risk Management Practices



GMM Pfaunder has institutionalized an Enterprise Risk Management (ERM) Framework that is continuously reviewed and benchmarked with industry-best practices to enhance our value creation capabilities for our stakeholders. The framework enables effective risk management through consistent processes for risk identification, rating (assessment), treatment, and review and monitoring of risks across the Company.

The Risk Management Committee periodically evaluates and monitors key risks, including the impact on the economy, geopolitical issues, risks relating to reputation and brand, competition, counterparty, foreign exchange and commodity prices, interest rates, cyber security, and ESG-related issues, among others.

In compliance with the Government of India's Companies Act 2013 and SEBI LODR, the Audit Committee oversees the financial risk framework of the Company. It reviews the internal financial controls and risk management system on an annual basis.

### **Risk Governance Structure**

The Risk Management Framework encompasses the entire organization across all levels. Refer to the Management Discussion & Analysis Report on page number 93 of this Annual Report for further information.



# Corporate Information

## CHAIRMAN

Dr. S. Sivaram

## MANAGING DIRECTOR

Mr. Tarak Patel

## DIRECTORS

Mr. Prakash Apte  
Mr. Nakul Toshniwal  
Ms. Bhawana Mishra  
Mr. Vivek Bhatia  
Mr. Ashok Patel  
Mr. Harsh Gupta  
Mr. Malte Woweries

## KEY MANAGEMENT TEAM

Mr. Thomas Kehl, Chief Executive Officer - International Business  
Mr. Aseem Joshi, Chief Executive Officer - India Business  
Mr. Alexander Pömpner, Chief Financial Officer - International Business  
Mr. Manish Poddar, Chief Financial Officer - India Business  
Ms. Mittal Mehta, Company Secretary & Compliance Officer

## STATUTORY AUDITORS

Deloitte Haskins & Sells, Chartered Accountants

## INTERNAL AUDITORS

Mazars Business Advisors Pvt. Ltd.

## SOLICITORS

MZM Legal  
L&L Partners  
Trilegal

## BANKERS

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

## REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited

## INVESTOR RELATIONS

Valorem Advisors

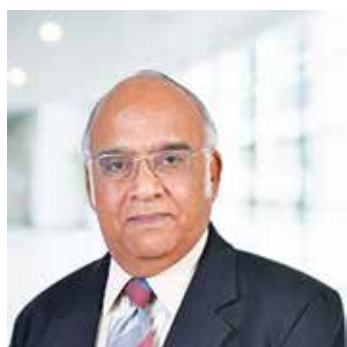
### Disclaimer:

This document contains statements about expected future events and financials of GMM Pfaunder 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 Pfaunder Limited's Annual Report for FY22.



Please find our online version at  
<https://www.gmmpfaunder.com/investors/financial-results-reports/annual-reports>  
Or simply scan to download

## Board of Directors



### Dr. S. Sivaram

Dr. Swaminathan Sivaram is a polymer chemist by profession and a mentor, as well as a science administrator of distinction.

He is a former director of the CSIR - National Chemical Laboratory, Pune. Currently, he is an Honorary Professor and INSA Senior Scientist of the Indian Institute of Science Education and Research (IISER), Pune. He has authored over two hundred and twenty papers in peer-reviewed journals, edited two books, and authored one book.

He has fifty-one issued US and European patents and fifty-two Indian patents to his credit. Dr.Sivaram is a highly decorated scientist / technologist with numerous awards and honors to his credit. He was conferred Padma Shri by the President of India in 2006.

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

Dr.Sivaram, born 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.



### Mr. Prakash Apte

Mr. Prakash Apte is the Chairman of Kotak Mahindra Bank Limited and serves on the Boards of Kotak Mahindra Life Insurance Company Limited, Fine Organic Industries Limited and Blue Dart Express Limited as an Independent Director. Prior to joining Kotak Mahindra, Mr. Apte served as a Non-Executive Chairman of Syngenta India Limited, an agricultural business company in India and a subsidiary of Syngenta Group, from May 2011 till September 2021 and as its Managing Director from November 2000 to April 2011.

Mr. Apte's professional career spans over 40 years with a wide range of experience in management and leadership as well as an in-depth knowledge of the agrochemicals and speciality chemicals industries. Mr. Apte was instrumental in setting up Syngenta Foundation India in 2005 which focuses on educating and providing resources to marginal farmers and facilitating rural entrepreneurship. In 2016, he was involved in setting up of the Indo-Swiss Centre of Excellence which aims to provide world class training in advanced vocational skills. Mr. Apte has served on the Boards of both these not-for-profit entities till mid-2021.

Mr. Apte has a B.E. (Mech) degree from the University of Pune and a Diploma in Business Management from University of Mumbai. He has also attended executive and leadership development programs at Harvard Business School, INSEAD and IMD.



### Mr. Nakul Toshniwal

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

Mr. Toshniwal serves as an Independent Director on the Board of Cravatex Brands Ltd. He is 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.



**Ms. Bhawana Mishra**

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

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

Ms. Mishra is an M.A. in 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.



**Mr. Vivek Bhatia**

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

Mr. Bhatia has worked across multiple business functions including strategy, operations and organization in the areas such as growth/diversification, joint ventures & technology transfers, business turnaround/ transformation, working capital management, operations design and re-engineering, organization design and performance management systems. In 2013, he was awarded a BCG Olympics Gold Medal for the most insightful and impactful client work in the region.

Mr. Bhatia holds an MBA (from IIM Calcutta), M. Tech. (Gold medallist from IIT Delhi) and B.E. (with honours from University of Delhi).



**Mr. Harsh Gupta**

Mr. Harsh Gupta is the Chief Executive Officer & Executive Director at Solaris Chemtech Industries Limited. Prior to joining Solaris, Mr. Gupta was an entrepreneur who 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, and an MBA from the McDonough School of Business, Georgetown University, USA. While at Vassar, he was granted a Ford Foundation Scholarship for research in economics, and honoured with membership to Omicron Delta Epsilon, an economics honour society.

**Mr. Malte Woweries**

Mr. Malte Woweries is the founder of Woweries Financial Advisory GmbH, an independent advisory firm in Frankfurt, Germany, providing services to corporate and private equity clients related to mergers and acquisitions, corporate finance, and investor communication.

Previously, Mr. Woweries was Executive Director in the Investment Banking Division at Goldman Sachs and served in the Frankfurt, New York City, and Mexico City offices between 2005 and 2019, focusing on mergers and acquisitions, as well as debt and equity financing transactions. He also worked as Investment Manager at KfW Group's private-sector arm DEG, focusing on private equity investments in developing and emerging markets.

Mr. Woweries holds a BA (Hons) / MA (Cantab) in Economics from the University of Cambridge and an MA in Economics from the Mexico Autonomous Institute of Technology (ITAM).

**Mr. Ashok Patel**

Mr. Ashok Patel has over 47 years of experience in the capital goods industry.

He has been a Director of GMM Pfaudler Limited since 1972 and was the Managing Director of the Company from 1988 to 2015. He is currently the Executive Chairman of the Company's subsidiary Mavag AG.

He is on the Board of Skyline Millars Limited and Ready Mix Concrete Limited.

Mr. Patel has a B. Sc degree from the University of Manchester Institute of Science & Technology, UK, and an MBA from the Columbia University, USA.

**Mr. Tarak Patel**

Mr. Tarak Patel has been Managing Director of the Company since June 2015. He has also served as Executive Director of the Company since 2007. Mr. Patel serves on the Board of 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 an MBA jointly conferred by Columbia Business School, London Business School, and University of Hong Kong (HKU) Business School.

# Leadership Team



## **Tarak Patel, Managing Director**

Tarak Patel has been the Managing Director of GMM Pfaudler since June, 2015 and has been an Executive Director of the Company since 2007. Previously, Tarak served as Vice President, Sales and Manager of Corporate Development.

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

Tarak has a 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.



## **Thomas Kehl, Chief Executive Officer - International Business**

Thomas Kehl has been the Chief Executive Officer for the International Business of GMM Pfaudler since February 2021. Previously, he was serving as the Chief Executive Officer of the Pfaudler Group.

Prior to joining Pfaudler in 2016, Thomas was the President and CEO of Coperion Group where he was responsible for the Compounding Machines and Service business. His extensive experience in the industry includes holding positions as Managing Director at Rieter Automatic and Senior Vice President of Rieter AG in Switzerland, 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.

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



## **Aseem Joshi, Chief Executive Officer - India Business**

Aseem Joshi has been Chief Executive Officer for the India business of GMM Pfaudler since November, 2021. He has over 20 years of rich experience in technology, consulting, strategy, sales and manufacturing.

Prior to joining GMM Pfaudler, Aseem worked at Honeywell where he led various businesses in India, across sensing, scanning and building industries. Aseem started his career with IBM in the United States, setting up a cutting-edge semiconductor fabrication plant and working on bringing innovative new chips to the market. As a consultant with McKinsey in the US, he worked across industries driving M&A, sales strategies and operation improvements. In 2010, he moved to India with Eaton Fluid Power, working on their growth strategy and then operationalized it as the Sales and Marketing Leader. Most recently at Honeywell, he successfully setup a new smart city focused global business, with teams in India, Middle East and the US. Aseem has an MBA from INSEAD, France, MS in Industrial and Systems Engineering from the Virginia Tech University, USA and a BE in Mechanical Engineering from the University of Pune.



**Alexander Pömpner, Chief Financial Officer - International Business**

Alexander Pömpner has been the Chief Financial Officer for the International Business of GMM Pfau

dler since February, 2021. Previously, he was serving as the CFO of the Pfau

**Manish Poddar, Chief Financial Officer - India Business**

Manish Poddar has been the Chief Financial Officer for the India Business of GMM Pfau

dler since January 2021. He has 22 years of rich experience across B2B and B2C space with Global and Indian MNCs. Prior to joining GMM Pfau

dler; he was with Diversey India, wholly owned by global PE firm Bain Capital, as Regional Controller of South APAC. Before this he worked at Sun Pharma (Ranbaxy) and Louis Dreyfus, India. Manish is a qualified Chartered Accountant and B.Com from Delhi University. His other education qualifications include an Executive MBA in IFRS, Treasury & Forex Management and Information Systems Audit.









## Management Discussion & **Analysis**

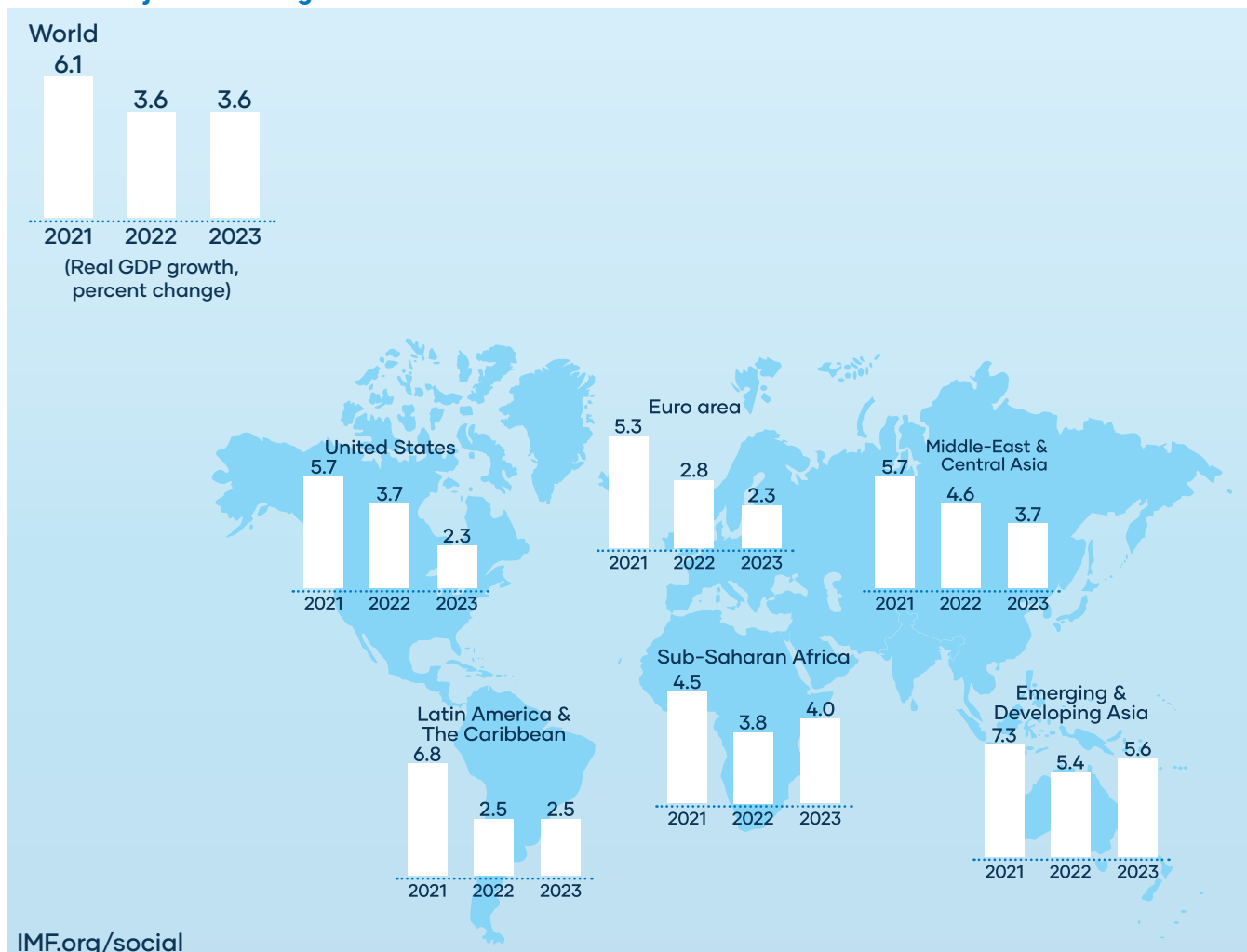
**A. Global Economy**

In 2021, the global economy made a strong comeback as it grew by 6.1%<sup>1</sup>, the highest growth rate recorded in more than four decades<sup>2</sup>. The major drivers of this growth were an increase in output, improved consumer spending, higher investments, and an unprecedented increase in trade of goods, exceeding pre-pandemic trade levels.<sup>2</sup>

The Omicron variant had a short-lived impact on the economy; and the projected global economic recovery was majorly affected by Russia-Ukraine crisis. Due to the heightened geopolitical tensions, there has been a sharp increase in fuel and food prices across the globe.

As per the latest IMF estimates, global economy is expected to grow by 3.6% in 2022 and 2023<sup>1</sup>. The deceleration in 2022 is primarily due to the elevated inflation levels on account of supply chain disruptions and high energy prices.

**Growth Projections - Region Wise<sup>1</sup>**



SOURCE: IMF, WORLD ECONOMIC OUTLOOK, APRIL 2022

NOTE: ORDER OF BARS FOR EACH GROUP INDICATES (LEFT TO RIGHT): 2021, 2022 PROJECTIONS AND 2023 PROJECTIONS



## B. Indian Economy

Like the global economy, the Indian economy witnessed a resurgence in FY21-22. After contracting in FY21 (ending March 31, 2021), the Indian economy grew by 8.9% in FY22, according to revised estimates, as compared to the contraction of 6.6% in FY21 suggesting that economic activity in India has surpassed pre-pandemic levels. Early in FY22, India was impacted by the "second wave" of the Covid-19 pandemic; however, its economic impact was modest vis-a-vis FY21. This was partly supported by timely interventions and relief measures announced by the government.

Three key sectors that support the Indian economy; agriculture and allied industries, industry and services are estimated to grow by 3.9%, 11.8% and 8.2% respectively in FY22<sup>3</sup>. Additional factors contributing to the high growth rate in FY22 include an increase in demand for consumption by 7.0% and an increase in exports by 16.5% and imports by 29.4%. This was even witnessed in total GST collections which increased by 30% to ₹14.8 lakh crore in FY22 from ₹11.4 lakh crore in FY21.

As recovery efforts continue, India is expected to be one of the fastest-growing major

economies in the world in FY23 with a real-GDP growth of 7.2%. Nevertheless, downside risks like the current inflationary environment, elevated commodity prices

and likely supply chain disruptions; may warrant policy interventions, the last being 0.4% hike in repo-rate by the Reserve Bank of India.



<sup>1</sup><https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>

<sup>2</sup>[https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/WESP2022\\_web.pdf](https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/WESP2022_web.pdf)

<sup>3</sup><https://www.ibef.org/economy/economic-survey-2021-22>





### 1. Pharmaceutical Industry

The global pharmaceutical industry is currently valued at \$1.4 trillion and is further expected to grow at a CAGR of 3-6% and expand to \$1.8 trillion through 2026.<sup>4</sup> As artificial intelligence and R&D evolve; it will propel the pharmaceutical industry to innovate and explore new revenue streams. With an aging global population, the demand for pharmaceutical products is on the rise which will contribute healthily to the growth of the industry.

**Indian Market:** The Indian pharmaceutical industry is presently valued \$42 billion and expected to grow to \$65 billion by 2024 and \$120-130 billion by 2030.

**Key Growth Driver:**

Cost-effectiveness:  
Pharmaceutical companies in India possess the ability to produce high-quality

products at an economical rate which are lower than its peers enabling them to be competitive on a global scale. Low-cost manufacturing is expected to help them leverage drug manufacturing opportunity of \$5-6 billion emerging from patent expiry across the globe in the next 4-5 years.

**Policy Support:** PLI scheme has been a market propeller, an initiative by the government that changed the outlook and sentiment of Indian market in the global arena. It surgically reduced India's import dependency. Setting up of bulk drug parks and PLI scheme would help promote the growth of domestic pharmaceutical industry (mainly APIs and formulations). Currently

the PLI scheme has an outlay on ₹15,000 crore for pharmaceuticals manufacturing and ₹6,490 crore for bulk drugs. As of March 2022, government has approved 19 applications of ₹4,623 crore<sup>6</sup> in committed investment, under PLI scheme. Additionally, ebbing of regulatory risks and "Ease of doing business" policies has accelerated the growth.

**Foreign Investment:** FDI in the Indian pharmaceutical industry has increased exponentially over the past two years, mostly to combat the increased demand of vaccines and therapeutics due to the Covid-19 pandemic.

<sup>4</sup>BEF Pharmaceuticals, March 2022

<sup>5</sup>KRChoksey Research - Banking on Specialty Chemicals - Rebase of Supply Chain

<sup>6</sup>[https://www.avendus.com/encrypted\\_pdf\\_path/img\\_5f72fec709f754.34126596\\_Indian%20Specialty%20Chemical%20Industry.pdf](https://www.avendus.com/encrypted_pdf_path/img_5f72fec709f754.34126596_Indian%20Specialty%20Chemical%20Industry.pdf)

<sup>7</sup><https://www.crisil.com/en/home/newsroom/press-releases/2022/03/india-to-double-specialty-chemicals-market-share-in-5-years.html#>



## 2. Specialty Chemical Industry

The global specialty chemical industry is valued at \$847 billion, which represents around 17% of the global chemical industry.<sup>5</sup> The specialty chemical industry is further expected to grow to \$1.2 trillion by 2025, expected to be driven the expansion of the Asian market.<sup>6</sup> North America and Europe were the leading geographies for chemical manufacturing, but over the years there has been a shift towards Asia owing to flexible government regulations and low cost of labour.

China has been the leading player in the global specialty market over the past few decades but has recently shown signs of slowing down. Tightening environmental regulations and rising labour costs have been the key factors for global chemical companies adopting the China+1 strategy.

**Indian Market:** India has been emerging as a major player in the specialty chemicals industry over the previous years and a major beneficiary of the industry focus shifting to Asia. In FY20, the specialty chemicals market in India was valued at \$31.1 billion and expected to grow at a CAGR of 9% between FY20–FY26 as compared to the 5.6% of the global specialty chemicals market. India is expected to grow at the highest CAGR amongst all other countries, specifically in Asia.

India is a key supplier of specialty chemicals across the globe. During FY16–20 more than 50% of total chemical exports from India were specialty chemicals. The increase in demand, both domestic and exports, has encouraged domestic producers to raise their capital expenditure. Capital expenditure is expected to rise by 50% to ₹15,000 crore through the fiscal years FY22 and FY23.<sup>7</sup>

### Key Growth Drivers:

**Production Capabilities:** With the development of ‘green chemicals’ and ‘sustainable energy’, India is progressing towards sustainable manufacturing methods and possesses the infrastructural facilities to expedite specialty chemicals production. This is underpinned by IP protection rights, improved compliance adherence with strong R&D culture, contract manufacturing opportunity and focus of nations to find the next best alternative to China. This is further supported by labour arbitrage opportunity in India.

**Accessibility:** Due to the geographic advantage of having access to ports, the distribution of specialty chemical products and raw materials is very convenient. With an increase in domestic production of specialty chemicals, exports are expected to rise too.





### 3. Agrochemical Industry

The global agrochemical market in 2020 was valued at \$231 billion and is expected to grow at a CAGR of 2.9% till 2030 and reach a market size of \$315 billion.

Agrochemical industry is expected to thrive globally; with an increasing global population the demand for crop protection agents is rising too in order to increase crop yields. Given the trending 'organic' and 'green' consumption practices, this highly potential and thriving industry has also been incentivized due to its environmentally-friendly appeal. Agrochemicals

are playing a crucial role in tackling climate change by reducing potential greenhouse gas emissions.<sup>8</sup>

Currently, the fertilizers segment is the dominant segment in the agrochemical market, while pesticides segment is projected to grow at higher CAGR over the next decade. India, China & Australia are expected to lead the growth further in the Asia-Pacific region due to the increasing number end-users in these countries.<sup>9</sup>

**Indian Market:** The Indian agrochemical industry was valued at \$5 billion in 2020 and expected to grow at a CAGR of 8.6% to \$7.4 billion in 2026. On a global scale, India is the fourth-largest producer of agrochemicals and 50% of

total agrochemical production in India is exported. Between April 2021 and January 2022, India exported an estimated \$4 billion worth of agrochemical products. The agrochemical industry has been driven by the increasing demand in the agricultural segment in India.<sup>10</sup>

#### Key Growth Drivers:

**Export Opportunity:** India's agrochemical exports have significantly increased and display a positive and improved outlook as per ICRA. India exports agrochemical products on a competitive pricing basis due to lower manufacturing costs, cheap skilled manpower and sufficient infrastructural capacity to meet demand.





#### 4. Refineries

The global oil refinery industry stood at \$1.3 trillion in 2020 and is expected to grow at a CAGR of 5.3% till 2030 and reach a market size of \$3.7 trillion.<sup>11</sup> One-third of the global oil refinery industry comes from the Asia-Pacific region which also contributed the largest share to the market in 2020. The refinery industry in the Asia-Pacific region is expected to grow at a CAGR of 6% from 2021-2030, which is the highest amongst all regions.

The refinery industry is one of the major industries to be affected by the Russia-Ukraine crisis. Russia is the world's largest exporter of oil and because of the sanctions;

oil importers are shifting their focus on purchasing bulk oil from Middle East, Latin America, and Africa.

**Indian Market:** As of 2021, India, the third biggest oil consumer and importer spent \$119.2 billion on oil import in FY21-22, nearly double the amount what they spent last year, about \$62.2 billion. According to PPAC, India imported 212.2 million tonne of crude oil FY22, whereas it was 196.5 million tonne in the previous year. India is the second-largest refiner in Asia with a total oil refining capacity of 250 MMTPA (million metric tonnes per annum). India is planning to increase this capacity to 400 million tonnes by 2025.<sup>12</sup>

The Department for Promotion of Industry and Internal Trade (DPIIT) in 2021 approved and enabled an order which allows for 100% foreign direct investments under the automatic route for oil and gas. In 2021, the Indian government announced plans to invest \$102.5 billion on oil and gas infrastructure over a course of five years. In the union budget of 2022-2023 there was a reduction in custom duty on certain critical chemicals that are essential for petroleum refining.

#### 5. Other Industry Segments

Some of the other industries that the Company caters to such as fertilizer and metals & minerals are witnessing healthy traction in volumes with a capex pipeline of ₹1,724 crore and ₹22,000 crore, respectively. It has made meaningful investment to augment its capabilities to serve these industry segments through its Equillloy and Mixture technologies. Revival in economy is expected to lead to significant investment in these sectors which augurs well for the Company.

Source: CMIE

<sup>8</sup><https://www2.deloitte.com/us/en/pages/energy-and-resources/articles/agricultural-chemical-industry-outlook.html>

<sup>9</sup><https://www.alliedmarketresearch.com/agrochemicals-market>

<sup>10</sup><https://www.ibef.org/industry/chemicals-presentation>

<sup>11</sup><https://www.bloomberg.com/press-releases/2022-01-31/oil-refining-market-to-garner-3-751-5-billion-globally-by-2030-at-5-3-cagr-states-allied-market-research>

<sup>12</sup><https://www.ibef.org/industry/oil-gas-india>



### C. Company Overview

GMM Pfaudler is a leading supplier of engineered equipment and systems for critical applications in the chemical, pharmaceutical, food, and energy sectors to organisations around the globe. Our unique expertise, manufacturing capabilities, innovation, strategic market and business operations help us successfully deliver technologies, systems and services which include - Glass-lined technology, filtration and drying, lab and process glass, sealing technology, mixing technology, alloy process equipment and fluoropolymers.

GMM Pfaudler's expertise and capabilities will help in improving our customers' manufacturing processes. Adding to our global growth ambitions, we continue to move forward by making '**Big Moves**' that will favourably impact all our stakeholders.

GMM Pfaudler has 14 manufacturing locations with an extensive sales and services network and employs more than 1800 people across 4 continents.

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





## 1. Key Strategic Highlights

- Focus on stabilizing the business and developing an integration plan to ensure a smooth transition
- Project Apollo launched with three focus areas - value sourcing, operational excellence, and cross-selling, all of which have shown great traction and positively impacted both revenue and profitability
- Operational excellence efforts have resulted in turnaround of Germany and China facilities
- Launched Interseal ace5000™, an innovative dry running sealing technology, in India
- New factory in Vatva began operations in May 2021 and is now fully operational
- Launched our new corporate identity and brand architecture which reflects the strengths of the fully integrated group
- Appointed a CEO for the India business with view of professionalising and strengthening the management team
- Launched the first phase of our global ESOP program earmarking 51,161 shares as a long-term incentive for employees across the globe
- Launched the GMM Pfaudler Foundation, a wholly owned subsidiary of GMM Pfaudler that will focus on making an impact on CSR initiatives relating to healthcare, education, and the environment

## 2. Financial Performance

GMM Pfaudler reported a strong FY22, despite macro uncertainties prevailing in both domestic and global ecosystems, with significant revenue growth across geographies. With input costs continuing to surge, GMM Pfaudler remains focused on maintaining profitability through cost efficiencies, integration synergies and pricing.

The Company continued to remain committed to enhancing shareholder value, reflected in its increasing market capitalisation of over 9 times in the last five years. GMM Pfaudler is one of the top 500 listed companies in terms of market capitalisation (its rank on The BSE Limited (BSE) was 412 while on the

National Stock Exchange of India Limited (NSE) was 406). In FY22, GMM Pfaudler recorded standalone revenue of ₹815 crore, up 27% from the previous year's ₹641 crore and consolidated revenue of ₹2,541 crore, up 154% from the previous year's ₹1,001 crore (FY21 consolidated revenue includes two months of Pfaudler International's results). Standalone Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) increased 12% to ₹172 crore as compared to ₹154 crore in previous year and Consolidated EBITDA increased 105% to ₹284 crore as compared to ₹139 crore (before exceptional item) in previous year.

Profit Before Tax (PBT) increased by 1% to ₹127 crore as compared to ₹126 crore in previous year on standalone basis and increased by 31% to ₹133 crore compared to ₹102 crore (before exceptional item) in previous year on a consolidated basis.

The year FY23 started with a strong order book, which is significantly higher than the previous year. The company will continue to enhance manufacturing capacity across geographies and leverage its global reach, scale, and size to further strengthen its leadership position.

## D. Key Financial Ratios

Sr.	Particulars	Consolidated		
		FY22	FY21	% Change
1	Debtors Turnover (Days)	48	50	-4%
2	Inventory Turnover (Days)	90	94	-5%
3	Interest Coverage Ratio	11.54	13.62	-15%
4	Current Ratio*	1.58	1.63	-3%
5	Debt Equity Ratio	0.95	1.21	-22%
6	Operating Profit Margin (%)	11%	14%	-19%
7	Net Profit Margin (%)	3%	6%	-53%
8	Return on average net worth (%)*	13%	15%	-15%
9	EPS (₹)*	58.18	50.24	16%

### Notes

Net Profit Margin has reduced primarily on account of PPA adjustments (non-cash impact) on Pfaudler acquisition.

### Definitions

**1) Debtor Turnover:** Average of trade receivables (current year and previous year) by revenue from operations for the year. In FY21, Revenue from operations include Pfaudler revenue of 2 months annualised to 12 months and closing trade receivables is considered instead of average for a like-to-like comparison.

**2) Inventor Turnover:** Average inventory (current year and previous year) by revenue from operations for the year. In FY21, Revenue from operations include Pfaudler revenue of 2 months annualised to 12 months and closing inventory is considered instead of average for a like-to-like comparison.

### 3) Interest Coverage

**Ratio:** Total EBITDA before exceptional item by finance cost for the year.

**4) Current Ratio:** Current assets by current liabilities including working capital borrowings.

**5) Debt Equity Ratio:** Total debt including working capital borrowings and lease liabilities by total equity at the end of the year.

**6) Operating Profit Margin:** EBITDA before exceptional item by operating revenue for the year.

**7) Net Profit Margin:** Profit after tax for the year by revenue from operation for the year.

**8) Return on average net worth:** Profit after tax for the year by average net worth for the year.

**9) Profit for the year by number of equity shares.**

The calculation of above ratios (including restatement of prior year ratios, wherever necessary) is in accordance with formula prescribed by Guidance note on Schedule III issued by the Institute of Chartered Accountants of India.

**\*FY21 figures are restated to account for PPA related adjustments. The purchase price was allocated to assets acquired and liabilities assumed based on the provisional fair values as the date of acquisition in accordance with Ind AS 103. During the current year, the Group has completed the Purchase Price Allocation and realigned the values of assets and liabilities acquired on acquisition.**

## E. Business Segments & Operational Highlights



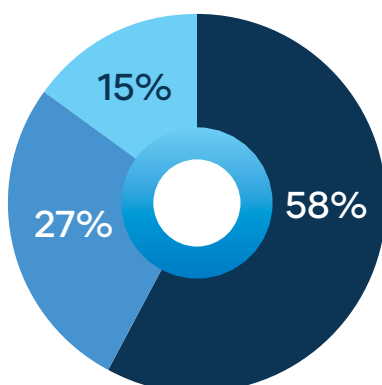
### 1. Business Overview

GMM Pfaudler is present across Americas, Europe and Asia through its offerings in technologies, systems and services. Through its product

portfolio, the company has sustained its business relations with marquee customer base and continues to strengthen its position as the market leader. GMM

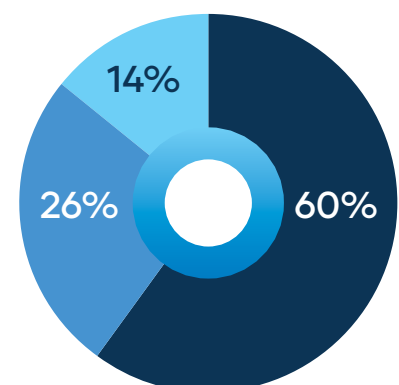
Pfaudler is at the forefront of innovation, focused on developing new technologies that will become a benchmark for tomorrow.

FY22 Consolidated Revenue



- Technologies
- Systems
- Services

FY22 Consolidated Order Intake







### Technologies:

Since the very beginning, GMM Pfaudler has continually revolutionised the industry to meet its clients' highly specific, ever-changing chemical processing needs. Year after year, with proven reliability, we have designed and manufactured the technologies required to create chemicals that are sought after worldwide. Today, the GMM Pfaudler Group name has become synonymous with chemical processing and corrosion resistance. You will find examples of the results of our advanced know-

how throughout all typical chemical and pharmaceutical plants, since the Group's portfolio of technologies covers all chemical unit operations.

Our Group boasts over a century-long expertise in the use of many types of corrosion-resistant materials, like glass-lined, borosilicate glass 3.3, fluoropolymers, high nickel alloys, zirconium, and tantalum, just to name a few.

By leveraging our vast portfolio and truly global operational footprint, GMM Pfaudler can serve its clients

with single source solutions for all of their most complex needs.

The Technologies business accounted for a revenue of ₹1,471 crore with an order intake of ₹1,759 crore in FY22.

### Business highlights

- Cross-selling of multiple products to customers in US, Europe and Asia resulting in increased customer spend
- Breakthrough in new markets such as Spain, South East Asia and Eastern Europe
- Gained market share in US and Europe by offering cost-effective solutions





### Systems:

GMM Pfaudler’s capabilities are not limited to the individual technologies themselves. Utilizing vast chemical processing expertise, our skilled engineers combine technologies and services into complete, fully integrated and efficiently operating process systems.

GMM Pfaudler supplies turn-key systems from lab through full industrial scale plants, for all chemical processes. Our expertise allows us to design process systems with Pfaudler technologies meeting the complex requirements of reaction, evaporation, distillation, acid recovery, absorption, filtration, and drying processes. A complete system includes the design of all the unit operations

surrounding and supporting the core technology. Systems are designed specifically for each client’s process. Each system layout is custom designed to ensure proper system functionality and to ensure all equipment, instruments and valves are arranged for ease of operation and maintenance. Our technicians assist with field installation and our engineers work with our client’s team to commission the system.

As a single-source provider, we ensure that the design of every component is perfectly integrated into the system for optimum performance. Our skilled engineering and manufacturing ensure high quality while our project management expertise

provides for fast-track schedules and reduced costs. Our focus is to provide our customers with innovative solutions and comprehensive service offerings across the world.

The Systems business accounted for a revenue of ₹388 crore with an order intake of ₹424 crore in FY22.

### Business highlights

- Acid Recovery business continues to grow with new orders from South Korea, China and India
- Process know-how and green technologies being developed to target new high growth sectors
- Dedicated engineering and process teams to grow systems business







### Services:

Not only do the world's top chemical companies trust on GMM Pfaudler's Technologies and Systems to manufacture their products, but they also rely on our engineering, technical services, and aftermarket parts to keep their plants operating efficiently.

We provide parts and maintenance services for our technologies to our global network of customers

throughout their plants, as well as the same services for those of others.

However, our services also extend far beyond that of standard maintenance. Every project is unique, and our highly experienced team of engineers and technicians will work together with you to deliver the most effective and complete process solution, from conception to design and installation.

The Services business accounted for a revenue of ₹682 crore with an order intake of ₹773 crore in FY22.

### Business highlights

- With the world opening up after the COVID pandemic, our services business has also seen a sharp improvement
- We continue to fine-tune our services model to improve response time and increase customer satisfaction



## 2. Operational Highlights

- New furnaces commissioned in India, Brazil and US which are expected to further strengthen our positions in those regions
- Commenced manufacturing operations at our Vatva facility which is now fully operational
- Turnaround of Germany and China facilities through operational excellence initiatives

## F. Innovation and Technology

- Developed and launched GLASTEEL® Continuous Flow reactor in collaboration with National Chemical Laboratory (NCL)
- Developed and launched new sealing technology in India - Interseal ace5000™
- Developed and launched new Mixing technology for fermentation
- Developed and launched new Drying technology for Chemical Industry
- Developing new Glass-lining technologies
- Developing a state-of-the-art Test Centre in India to show case our technologies



## G. Opportunities & Threats

### Opportunities

- The Government of India's focused thrust on positioning India as a global sourcing hub ('Make in India'), a reliable alternative to China, on becoming self-reliant ('Atmanirbhar Bharat'); coupled with its efforts in moving up the Global Ease of Business ranking is expected to attract investments into India. These efforts should open interesting growth opportunities for GMM Pfaudler Limited
- Strong growth is also expected owing to the increasing market size, investments, and exports in the pharmaceuticals, specialty chemicals, and agrochemical industries in the next 5 years. The pharmaceuticals sector is expected to grow with key drivers being patent expiry, China +1 strategy, rising PE investments, and ebbing of regulatory risk. The Production Linked Incentive ("PLI") scheme will further augment investments in the pharma sector. In the chemicals sector, growth is expected from a robust capex pipeline along with opportunities from a global footprint and value-chain integration
- To neutralize the impact of supply chain disruption post the pandemic, several governments have

released packages in sectors like food processing, pharmaceutical, and chemicals. This would result in higher investments in each country globally as they create redundancies or focus on manufacturing goods around their regions will augur demand for glass-lined equipment

- The global acquisition has opened multiple growth levers for GMM Pfaudler Limited in terms of competitive sourcing, widening the customer base, broadening the products and solutions portfolio, and opening considerable cross-selling opportunities
- Tightening of ESG norms has resulted in companies firming up their commitment to improving their ESG standards. The focus is on introducing equipment for manufacturing processes that can help in reducing India's total carbon footprint. This will open opportunities for GMM Pfaudler Limited, especially for its sustainable product portfolio - Acid Recovery, Interseal, and Reglassing (services business)

### Threats:

- Rising input costs like gas prices, fuel costs, and freight charges may impact the profitability of the company's existing

backlog. In order to mitigate the impact, the company is undertaking cost reduction measures and also passing on the price increase to the customers

- Commodity price inflation could have a two-fold impact on the company's performance, in terms of margins and potential deferment of capex by customers, impacting the company's order book
- Heightened geopolitical tensions could impact the trade relations between the countries, which could generate the need to service the respective nations with local production. This could defer the company's low-cost sourcing strategy as well as increase input costs, thereby impacting its profitability
- While the pandemic seems to be receding, the threat of variants and potential for lockdowns could impact the Company's ability to meet its financial and operational targets
- Uncertain monsoons, investment deferrals, and volatile industrial output are ongoing concerns for sales in the domestic market

## H. Risks and Concerns

All businesses are today exposed to risks from strategic, regulatory, alliance, operational and financial perspectives. The Company has revamped its Risk Management policy to ensure sustainable growth of the organisation and to promote pro-active approach in evaluating, mitigating, and reporting such risks associated with the business. This policy establishes a structured and disciplined approach to Risk Management in order to guide decisions on business risk issues.

### Risk Management Framework

The Company has developed a Risk management Framework with an objective to enhance value of the Company and to the stakeholders (internal and external) by ensuring Company's business and growth objectives are protected. This framework facilitates decision making, planning and prioritization

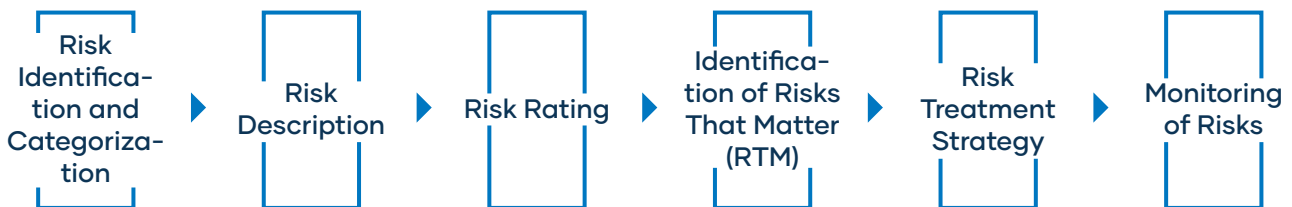
threats to business activities, fluctuations and balancing risks and opportunities.

Through this framework, Company plans to inculcate a risk aware culture which will ensure that risk management is consistently practiced across the Company and highlight areas of focus for Management to make informed decisions to reduce

the threats to the Company's business and growth objectives.

The Company has adopted a comprehensive Enterprise Risk Management approach to identify and manage risks at an enterprise level. The risk methodology adopted is in line with leading Risk Management standard laid down by the Committee of Sponsoring Organizations (COSO).

### Risk Management Process



### Risk Management Organization Structure



## MANAGEMENT DISCUSSION & ANALYSIS

The Risk Management Committee (RMC) of the Board facilitates implementation of Risk Management Policy and Framework. RMC also apprises the Board about the evolving changes in the risk universe (landscape) and recommends actions to be taken.

The Executive Risk Management Council (ERMC) consistently monitors and records changes in the

business environment, threats and factors impacting the risk profile of the Company.

The ERMC tracks and reports the implementation of the risk mitigation plans to the RMC who in turn reports to the Board of Directors.





The ERMC consists of the Managing Director, Chief Executive Officer, Chief Financial Officer, Chief Risk Officer (CRO), Business Heads,

Enabling Function Heads (HR, IT, other function heads). The CRO works closely with the ERMC and Risk Owners to identify risks and facilitate development of risk mitigation plans.

Further, the Company has deployed a Risk Management Tool to enhance the monitoring and review of Risk Management.

### Risk Identification and Mitigation

Some of the major risks identified by the company, and its mitigation plans, are given below. Risk ranking undergoes periodic change, based on scores of the identified risks and the status of risk mitigation plan implementation.

Category	Mitigation measures
 <p><b>Digitization</b></p>	<p><b>The</b> Covid-19 pandemic has reinforced the importance of digitization. The Company is leveraging technology to generate insights for faster and effective decision making and to create technology driven products and value-added services with various initiatives. One such initiative is rolling out a Project Management Software to enable systematic execution of work on the shop floor and near real time visibility of work status. Company also plans for developing QR Codes on all equipment being developed</p>
 <p><b>Synergies of acquisition</b></p>	<p><b>Company</b> has acquired controlling stake in Pfaudler International which has various plants across the globe. The Company has launched "Project Apollo" with the scope of realizing synergies between India and International business, with the aim to transform the Group into a best-in-class corrosion resistant technologies, systems, and services provider. The Company is progressing well towards different working streams of Value Sourcing, Operational Excellence, Portfolio expansion and Branding and Communication. Substantial progress has been made through past year in realizing synergies</p>
 <p><b>Sustainability</b></p>	<p><b>GMM Pfaudler</b> is committed to the long-term success of all its stakeholders and deliver promised results in a responsible and sustainable manner. The Company has conducted a detailed Landscape Assessment to identify its ESG Mission, Vision and Strategy. The Company has articulated its key sustainability themes which include Environmental protection and Climate Resilience, Responsible Business Conduct, Workplace Symphony, and Social Stewardship</p>
 <p><b>Supply Chain</b></p>	<p><b>Significant</b> process changes and digital initiatives were adopted in the supply chain front to reduce process time and to improve price discovery. Detailed vendor analysis is being conducted to identify high-risk vendors. The Company has created multiple supplier sources for all critical items and is closely monitoring those suppliers to assess capabilities</p>



Category	Mitigation measures
 <p data-bbox="177 712 373 748">Human capital</p>	<p data-bbox="416 293 1469 450"><b>The</b> Company believes proper management of human capital is key to achieve the strategic and operational goals of an organisation. Human capital has elements of attraction, retention, and engagement of talent; employee relations which is critical for any business. These areas are being continuously worked upon through initiatives such as introduction of an ESOP scheme.</p> <p data-bbox="416 450 1469 607">The journey of learning &amp; development continued with the institutionalised training calendar 'Neev.' A mix of Functional &amp; Behavioural Training Programs (aligned to DNA for Success) were conducted online and completed successfully. In addition, Leadership Development also continued to be an important aspect through Coaching Sessions for critical set of employees.</p> <p data-bbox="416 607 1469 734">To tap the growth opportunity going ahead, it is imperative for the Company to groom its employees and create a talent pool. Accordingly, the Company has put in place a systematic succession planning process to create and strengthen a talent pipeline</p>
 <p data-bbox="197 931 354 996">Information Technology</p>	<p data-bbox="416 766 1469 981"><b>The</b> company has a well-institutionalised information security management system based on internationally recognised standards and best practices and is continually improving its cyber security posture to safeguard from emerging cyber threats to its business. Consistent investments in latest IT security systems are being made and adequate firewalls and disaster recovery systems have been set. Further, Company has implemented measures to ensure uninterrupted availability of IT systems</p>
 <p data-bbox="158 1182 394 1216">Foreign Exchange</p>	<p data-bbox="416 1014 1469 1205"><b>Foreign</b> exchange risk arising from exports and imports of products is managed using the Company's Foreign Exchange Risk Management Policy (the Policy). The Policy clearly lists down guidelines around effective management of foreign exchange risks, factoring natural hedges and hedging through forward contract where required. While managing foreign exchange risks the Company adheres to foreign exchange regulations and ensures its compliance</p>
 <p data-bbox="172 1435 381 1464">Regulatory Risk</p>	<p data-bbox="416 1234 1469 1449"><b>Company</b> stays abreast of proposed changes in regulations and has adopted a digitally enabled comprehensive compliance management tool. It is updated at regular intervals, and is integrated with business processes, risks and controls. The Company has a well-structured, documented and demonstrable compliance framework that helps the management monitor and report compliance risk and exposure to the Board. The Board periodically reviews compliance reports of all laws applicable to the Company</p>
 <p data-bbox="167 1641 386 1675">Commodity Risk</p>	<p data-bbox="416 1482 1469 1673"><b>The</b> 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. 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</p>

## I. Human Resources

As we embarked on a path-breaking journey where our priorities and plans were focused on navigating through a changing and rapidly growing organisation, HR was at the forefront of initiatives to respond to a wide range of internal and external transformative needs.

In line with the above, focused leadership programs were conducted in partnership with prominent learning partners under the NEEV - Learning & Development banner. The emphasis this year was on ensuring learning effectiveness and implementation on the job, the outcome of which depicted a positive trend in terms of learning application and behavioural change.

FY22 also witnessed Campus Recruitment, where we e-visited six campuses across India, efficiently leveraging the online platform. Along with building up a dedicated team of IT & HR to ensure seamless candidate experience, we equipped our people managers with Competency based interviewing technique to ensure an overall fitment - cultural fit, learning agility, and the right attitude.

The recent addition of Employee Stock Option Plan scheme contributes towards attraction, retention, and engagement of talent.

Employee health and well-being was also at the forefront - we organized

Covid vaccination camps across our India locations and also extended the medical insurance coverage to our employees' dependent parents.

A careful consideration on people strategy has enabled us to continuously update our processes and keep abreast with the Company objectives.



## J. Internal Control Systems & their Adequacy

The Company has an adequate system of Internal Financial Control, which helps in ensuring orderly and efficient business conduct.

The preparation of Company's Financial Statements is based on the Significant Accounting Policies selected by the Management and approved by the Audit Committee and the Board. These Accounting policies are reviewed and updated from time to time. The Company uses LN ERP System as a business enabler and 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.

The Company has a well-institutionalised information security management system and uses robust IT tools for minimising errors and lapses,

identifying exceptional trends through data analysis and tracking crucial compliances. The Company has advanced solutions which automate threat detection and response against an ever-growing variety of threats, including ransomware. The Company has introduced XDR (extended detection and response) in place which collects and automatically correlates data across multiple security layers – email, endpoint, server, cloud workload and network. The Company has done various assessments including Vulnerability & Red Team Assessment and Penetration Testing to further strengthen the IT infrastructure. As part of increasing the security posture and security architecture, a complete GAP assessment has been initiated on the Company's cyber security and data privacy practices to identify areas of high risk to the Company's business and determine interventions.

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.

# Statutory Reports & Financial Statements



## GMM PFAUDLER LIMITED

CIN: L29199GJ1962PLC001171

Registered Office : Vithal Udyognagar, Anand - Sojitra Road, Karamsad - 388325

E-mail: [investorservices@gmmpfaudler.com](mailto:investorservices@gmmpfaudler.com); website: [www.gmmpfaudler.com](http://www.gmmpfaudler.com)

Tel: +91 2692 661700/ 230416/ 230516; Fax: +91 2692 661888/236467

# NOTICE

NOTICE is hereby given that the Fifty Ninth Annual General Meeting of the Members of GMM Pfaudler Limited ("the Company") will be held on Monday, September 19, 2022 at 12:00 noon by video-conference, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2022 (including Consolidated Financial Statements) together with the reports of the Board of Directors and auditors thereon; and if consider and thought fit, to pass the following resolutions, with or without modification(s), as **Ordinary Resolutions**:

(a) **"RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, comprising of Audited Balance Sheet as at March 31, 2022, the Statement of Profit & Loss and Cash Flow for the financial year from April 1, 2021 to March 31, 2022 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, and adopted."

(b) **"RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, comprising of Audited Consolidated Balance Sheet as at March 31, 2022, the Statement of Consolidated Profit & Loss and Cash Flow for the financial year from April 1, 2021 to March 31, 2022 including its Schedules and the Notes attached thereto and forming part thereof and the report of the Statutory Auditors thereon be and are hereby received, and adopted."

2. To confirm the declaration and payment of three interim dividends paid during the financial year ended March 31, 2022 and to declare final dividend for the financial year ended March 31, 2022 and if consider and thought fit, to pass the following resolutions, with or without modification(s), as **Ordinary Resolutions**:

(a) **"RESOLVED THAT** the payments of first interim dividend, second interim dividend and third interim dividend of INR 1.00/- (Rupee one only) each per equity share respectively paid on 1,46,17,500 Equity Shares, aggregating to INR 4,38,52,500 (Rupees Four Crores Thirty Eight Lakhs Fifty Two Thousand Five Hundred only), (pre-bonus) declared and paid for the financial year 2021-22, to the shareholders, whose names have appeared in the Register of Members as on August 23, 2021, November 11, 2021 and February 11, 2022 respectively be and are hereby confirmed."

(b) **"RESOLVED THAT** final dividend for the financial year ended March 31, 2022 of INR 1.00 (Rupees One only) per equity share on 4,38,52,500 equity shares aggregating to INR 4,38,52,500 (Rupees Four Crore Thirty Eight Lakh Fifty Two Thousand Five Hundred only) (post-bonus) to the shareholders whose names appear in the Register of Members as at the end of business hours on September 12, 2022 (Record Date) be and is hereby approved."

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

**"RESOLVED THAT** Mr. Harsh Gupta (DIN 02434051), who retires by rotation and being eligible offers

himself for re-appointment, be and is hereby appointed as Director of the Company."

#### **SPECIAL BUSINESS:**

4. To ratify the payment of remuneration to the Cost Auditors of the Company for the financial year ending March 31, 2023 and if consider and thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-

enactment thereof for the time being in force), the payment of remuneration to M/s. Dalwadi & Associates, Cost Accountants, (Firm Registration No. 000338) of INR 1,65,000/- (Rupees One Lakh Sixty Five thousand only) plus GST as applicable and reimbursement of out-of-pocket expenses, as approved by the Board of Directors of the Company, for conducting cost audit of the Company for the financial year 2022-23, 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."

**By Order of the Board of Directors  
For GMM Pfaudler Limited**

**Mittal Mehta**

**Company Secretary**

**M. No. 7848**

**Place:** Mumbai

**Date:** August 4, 2022

#### **Registered Office:**

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

## NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (hereinafter referred to as the "Act"), in respect of business to be transacted at the Annual General Meeting (hereinafter referred to as "AGM"), as set out under Item No. 4 above and the relevant details of the Director as mentioned under Item No. 3 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 "SEBI Listing Regulations") and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed thereto.
  2. The Board of Directors have considered and recommended the Item no. 4 as Special Business in the forthcoming AGM for the consideration of shareholders.
  3. The Ministry of Corporate Affairs (MCA), vide its General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021 and 2/2022 dated May 05, 2022, along with such other applicable circulars issued by MCA (hereinafter referred to as "MCA Circulars"), SEBI Circular dated May 13, 2022 and any other applicable laws and regulations has allowed companies to conduct the AGM, up to December 31, 2022, through Video Conferencing (VC) or Other Audio Visual Means (OAVM). In accordance with the applicable provisions and the MCA and SEBI Circulars, the 59<sup>th</sup> AGM of the Company shall be conducted through VC/ OAVM facility.
  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. Institutional/ Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send a certified copy (in PDF/ JPEG Format) of the relevant Board Resolution/ Authority letter etc. authorizing its representatives to attend the AGM, by e-mail to [js@rathinandassociates.com](mailto:js@rathinandassociates.com) with a copy marked to the Company at [mittal.mehta@gmmpfaudler.com](mailto:mittal.mehta@gmmpfaudler.com) and to its RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
- Electronic dispatch of Annual Report and process for registration of e-mail 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 2021-22 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.gmmpfaudler.com](http://www.gmmpfaudler.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
  7. Members holding shares in physical mode who have still not registered their e-mail ID with the Company can get their e-mail IDs registered with the Company's Registrar and Share Transfer Agents, Link Intime India Pvt Ltd, (hereinafter referred to as "Link Intime/ "LIPL") by using the link: [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html) and Members holding shares in dematerialized mode are requested to register/ update their e-mail 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 e-mail on [mittal.mehta@gmmpfaudler.com](mailto:mittal.mehta@gmmpfaudler.com) or [investorservices@gmmpfaudler.com](mailto:investorservices@gmmpfaudler.com).
- Procedure for joining the 59<sup>th</sup> AGM through VC/ OAVM**
9. Link Intime will be providing facility for voting through remote e-Voting, for participation in the 59<sup>th</sup> AGM through VC/OAVM facility and e-Voting during the 59<sup>th</sup> 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](mailto: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 59<sup>th</sup> AGM:**

14. Members are encouraged to express their views/ send their queries in advance mentioning their name demat account number/folio number, e-mail id, mobile number at [mittal.mehta@gmmpfaudler.com](mailto:mittal.mehta@gmmpfaudler.com). Questions/queries received by the Company till 5:00 p.m. on Thursday, September 15, 2022 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.
16. Shareholders will receive "speaking serial number" prior to the meeting. Others shareholder may ask questions through the active chat-board during the AGM.

17. Shareholders are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking.

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

18. 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.
19. 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 SEBI Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), members are provided with the following alternatives by which they may cast their votes:

##### **i. Remote e-voting**

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

The remote e-voting platform is being provided by Link Intime and the e-voting period will commence on **Wednesday, September 14, 2022 at 9:00 a.m. (IST)** and will end on **Sunday, September 18, 2022 at 5:00 p.m. (IST)**. The remote e-Voting module will be disabled by Link Intime for voting thereafter.

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

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



Type of shareholders	Login Method
<b>Individual Shareholders holding securities in Demat mode with NSDL</b>	<ul style="list-style-type: none"> <li>• If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile.</li> <li>• Once the home page of e-Services is launched, click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> section. A new screen will open. You will have to enter your User ID and Password.</li> <li>• After successful authentication, you will be able to see e-Voting services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name – <b>Link Intime</b> and you will be re-directed to the Link Intime E-voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a>. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see the e-Voting page. Click on options available against the Company's name or e-Voting service provider – <b>Link Intime</b> and you will be re-directed to the <b>Link Intime</b> E-voting website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</li> </ul>
<b>Individual Shareholders holding securities in Demat mode with CDSL</b>	<ul style="list-style-type: none"> <li>• Existing user who have opted for Easi/Easiest, can login through their User ID and Password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>• After successful login of Easi/Easiest the user will be also able to see the E-Voting Menu. The Menu will have links of e-Voting service provider i.e. <b>Link Intime</b>. Click on <b>Link Intime</b> to cast your vote.</li> <li>• If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>• Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>

Type of shareholders	Login Method
Individual Shareholders (holding securities in Demat mode) & login through their Depository participants ("DP")	<ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility.</li> <li>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
Individual Shareholders holding securities in Physical mode & E-voting service Provider is Link Intime	<ol style="list-style-type: none"> <li>Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a></li> <li>Click on "<b>Sign Up</b>" under '<b>SHARE HOLDER</b>' tab and register with your following details: - <ul style="list-style-type: none"> <li>A. <b>User ID:</b> Shareholders/ members holding shares in physical form shall provide (Event No.) 220377 + Folio Number registered with the Company.</li> <li>B. <b>PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).</li> <li>C. <b>DOB/DOI:</b> Enter the Date of Birth (DOB)/Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)</li> <li>D. <b>Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</li> </ul> <ul style="list-style-type: none"> <li>Shareholders/ members holding shares in <b>physical form</b> but have not recorded information under 'C' and 'D', shall provide their Folio number in 'D' above</li> </ul> </li> <li>➤ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>➤ Click "confirm" (Your password is now generated).</li> <li>Click on 'Login' under '<b>SHARE HOLDER</b>' tab.</li> <li>Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '<b>Submit</b>'.</li> <li>After successful login, you will be able to see the notification for e-voting. Select '<b>View</b>' icon.</li> <li>E-voting page will appear.</li> <li>Refer the Resolution description and cast your vote by selecting your desired option '<b>Favour/Against</b>' (If you wish to view the entire Resolution details, click on the '<b>View Resolution</b>' file link).</li> <li>After selecting the desired option i.e. Favour/Against, click on '<b>Submit</b>'. A confirmation box will be displayed. If you wish to confirm your vote, click on '<b>Yes</b>', else to change your vote, click on 'No' and accordingly modify your vote.</li> </ol>

### Institutional shareholders:

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

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

- o Click on '**Login**' under '**SHAREHOLDER**' tab and further Click '**forgot password?**'
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/ members have valid e-mail address, Password will be sent to his/her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

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

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

### Helpdesk for Individual Shareholders holding securities in demat mode:

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

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

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

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

### ii. Voting during the Annual General Meeting through InstaMeet:

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

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 e-mail 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 e-mail to [enotices@linkintime.co.in](mailto: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](mailto:js@rathiandassociates.com) with a copy marked to [manasi.kandalkar@linkintime.co.in](mailto:manasi.kandalkar@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. **Monday, September 12, 2022**.
- d) Mr. Jayesh Shah, Partner, M/s. Rathi & Associates, Practicing Company Secretaries (Membership No.

F 5637, COP: 2535), has been appointed as the Scrutinizer for conducting voting process in a fair and transparent manner.

- e) The Chairman shall, at the AGM, at the end of discussion on all the resolutions on which voting is to be held, allow voting by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
- f) The results shall be declared not less than forty - eight (48) hours from conclusion of the AGM. The results along with the report of the Scrutinizer shall be placed on the website of the Company [www.gmmpfaudler.com](http://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 material documents referred to in Explanatory Statement, shall be available for inspection through electronic mode. Members are requested to write to the Company on [investorservices@gmmpfaudler.com](mailto:investorservices@gmmpfaudler.com) for inspection of said documents, mentioning their name, Folio no./Client ID and DP ID, and the documents they wish to inspect.
- 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 <https://www.gmmpfaudler.com/investors/shareholders-center/shareholders-meetings>

#### Dividend related information

20. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 13, 2022 to Monday, September 19, 2022 (both days inclusive).
21. Final dividend for the financial year ended March 31, 2022, as recommended by the Board of Directors, if approved by the Members at

the AGM, will be paid on or before October 17, 2022, to those members whose names appear on the Register of Members as on September 12, 2022.

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

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

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

In case the shareholder has not registered his/her/ their e-mail 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 [www.linkintime.co.in](http://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 DP and register the e-mail 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 dispatch the dividend warrants to such shareholder by post.

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

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

**Table 1: Resident Shareholders**

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/Documents required
Any resident shareholder	10%	Update the PAN if not already done with depositories (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). <ul style="list-style-type: none"> <li>• No deduction of taxes in the following cases - If dividend income to a <b>resident individual shareholder</b> during FY 2020-21 does not exceed INR 5,000/-,</li> <li>• 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.</li> </ul>
Submitting Form 15G/Form 15H	NIL	Eligible Shareholders providing Form 15G (applicable to resident Individual shareholder)/Form 15H (applicable to resident Individual shareholder having age of 60 years and above) - on fulfilment of prescribed conditions.
Order under section 197 of the IT Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax Authorities.



Category of Shareholder	Tax Deduction Rate	Exemption Applicability/Documents required
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 IT 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 June 25, 2015.
Other resident shareholder without PAN/Invalid PAN/Specified person under Section 206AB of the IT Act	20%	

**Please Note that:**

- 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 IT Act.
- For the purpose of determining specified person under Section 206AB, company will verify the status from the Government enabled online facility and deduct TDS accordingly.
- Shareholders holding shares under multiple accounts under different status/category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

**Table 2: Non-resident Shareholders**

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/Documents required
Any non-resident shareholder	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	<p>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.</p> <ul style="list-style-type: none"> <li>Copy of the PAN Card, if any, allotted by the Indian authorities.</li> <li>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.</li> <li>Self-declaration in Form 10F.</li> <li>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.</li> </ul> <p>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.</p> <p>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.</p>

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/Documents required
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 e-mail ID [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@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 September 10, 2022 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 September 10, 2022.

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

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

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

**i) For temporary registration for demat shareholders:**

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Pvt Ltd by clicking the link: [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html) in their web site [www.linkintime.co.in](http://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 e-mail to RTA at [rnt.helpdesk@linkintime.co.in](mailto: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 e-mail 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 by clicking the link: [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html) on their web site [www.linkintime.co.in](http://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](mailto: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 by clicking the link: [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html) in their web site [www.linkintime.co.in](http://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, 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 e-mail to RTA at [rint.helpdesk@linkintime.co.in](mailto:rint.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 September 10, 2022.

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

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

- A. Pursuant to the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules"), (including any statutory modification(s) and or re-enactment(s) thereof for the time being in force), dividends that are unpaid or unclaimed for a period of 7 (seven) years from the date of their transfer are required to be transferred by the Company to the IEPF, administered by the Central Government. Further, according to the said IEPF Rules, shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority.
- B. During the financial year 2021-22, the Company has transferred to IEPF, the following unclaimed dividends and corresponding shares thereto:

Particulars	Amount of Dividend (in INR)	No. of shares
Final dividend 2013-14	94,395	2,585
1 <sup>st</sup> interim dividend 2014-15	70,284	1,800
2 <sup>nd</sup> interim dividend 2014-15	78,130	2,060
3 <sup>rd</sup> interim dividend 2014-15*	73,115	150

\*Unclaimed Dividend and shares transferred in April 2022

- 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 <https://www.gmmpfaudler.com/investors/shareholders-center/unclaimed-data>
- D. The details of dividend paid for the financial year 2015-16 onwards proposed to be transferred to IEPF are given below:

Date of declaration	Dividend Details	Dividend in INR Per share	Due date of the proposed transfer to IEPF
July 30, 2015	1 <sup>st</sup> interim dividend (2015-16)	0.70	August 29, 2022
September 28, 2015	Final dividend (2014-15)	0.90	October 28, 2022
November 5, 2015	2 <sup>nd</sup> interim dividend (2015-16)	0.70	December 5, 2022
February 3, 2016	3 <sup>rd</sup> interim dividend (2015-16)	0.70	March 5, 2023

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

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

### Item No. 4

Based on the recommendation of the Audit Committee, the Board approved the re-appointment 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 2022-23 at a remuneration of INR 1,65,000/- (Rupees One Lakh Sixty-Five Thousand only) plus GST as applicable and reimbursement of out-of-pocket expenses.

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

The Board recommends the resolution set forth at Item No. 4 for the approval of Members as an Ordinary Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

**By Order of the Board of Directors  
For GMM Pfaudler Limited**

**Place:** Mumbai  
**Date:** August 4, 2022

**Mittal Mehta**  
**Company Secretary**  
**M. No. 7848**

**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. Harsh Gupta
DIN	02434051
Date of Birth	July 8, 1968
Qualifications	Bachelor of Arts in Economics from Vassar College, New York, USA, and MBA from the McDonough School of Business, Georgetown University, USA.
Expertise in specific functional area	P&L management, sales & marketing, mergers & acquisitions, and corporate planning & strategy.
Date of first appointment on the Board	April 1, 2020
Shareholding in the Company as on March 31, 2022	Nil
Terms and conditions of appointment/ continuation of Directorship	Non-Executive Director liable to retire by rotation
Details of last remuneration drawn in INR (FY 2021-22)	INR 7.00 lacs (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 <ul style="list-style-type: none"> <li>• Directors</li> <li>• Key Managerial Personnel</li> </ul>	Not Applicable
Number of Meetings of the Board attended during the financial year 2021-22	Held - 4 Attended - 4
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of the Company	Member of Stakeholders Relationship Committee and Risk Management Committee
Other Companies in which he is a Director excluding Directorship in Private and Section 8 Companies	1. Solaris Chemtech Industries Limited
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of other Public Limited Companies in which he is a Director*	Nil

Note(s): \*Committee positions of Audit and Stakeholders Relationship Committee held in Public Limited companies are considered.



# Board's Report

## To the Members

The Directors have pleasure in presenting the Fifty Ninth Annual Report together with the Consolidated and Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2022.

### 1. SUMMARY OF THE FINANCIAL RESULTS:

(₹ in Crore)

Particulars	STANDALONE	
	March 31, 2022	March 31, 2021
Revenue from operations (Net of excise duty)	814.82	640.81
Profit before tax	127.02	125.90
Profit after tax	94.96	95.10

During the financial year 2021-22, on standalone basis revenue was up by 27%, Profit before tax was up by 1% and Profit after tax was stable as compared to previous financial year.

(₹ in Crore)

Particulars	CONSOLIDATED	
	March 31, 2022	March 31, 2021
Revenue from operations (Net of excise duty)	2,540.57	1,001.12
Profit before tax	133.38	68.06
Profit after tax	75.36	63.55

During the financial year 2021-22, on consolidated basis revenue was up by 154%, Profit before tax was up by 96% and Profit after tax was up by 19% as compared to previous financial year.

### 2. 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.

The Board of Directors at their meeting held on May 25, 2022 approved increase in the authorized capital of the Company from ₹5 crore to ₹10 crore for the purpose of issue of Bonus shares to the eligible shareholders in the ratio of 2:1.

### 3. ESOP:

The Board of Directors at their meeting held on October 28, 2021 approved the GMM Pfaudler Employee Stock Option Plan 2021 ("ESOP Plan 2021") for issuance of 51,161 stock options representing ~0.35% of the total paid-up share capital of the Company and the same has been approved by the Shareholders of the Company on December 2, 2021 through Postal Ballot.

The Nomination and Remuneration Committee at their meeting held on February 1, 2022 approved grant of 41,700 stock options out of the total 51,161 stock options to the Eligible Employees of the Company and its subsidiaries under the ESOP Plan 2021.

The disclosures as required under Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB Regulations") have been placed on the website of the Company and can be accessed at <https://www.gmmpfaudler.com/index.php/file/ESOP2021.pdf>

A certificate from M/s. Rathi & Associates, Secretarial Auditors of the Company certifying that the ESOP Plan 2021 has been implemented in accordance with SEBI SBEB Regulations pursuant to the resolution(s) passed by the Shareholders, will be available for inspection at the ensuing Annual General Meeting.

### 4. TRANSFER TO RESERVES:

During the year under review there was no amount transferred to General Reserve out of the net profits of the Company for the financial year 2021-22. Hence, the entire amount of profit has been carried forward to the Profit & Loss Reserve Account.

### 5. 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 ₹4.39 Crore.

Based on the performance of the Company for the year, the Board of Directors is pleased to recommend a final dividend of ₹3/- per equity share on 1,46,17,500 equity shares [having a face value of ₹2/- each] (pre-bonus), which translates to ₹1/- per equity share on 4,38,52,500 equity shares [having face value of ₹2/- each] (post-bonus) subject to approval of Shareholders at the Annual General Meeting, which if approved, will absorb ₹4.39 crore towards dividend.

The dividend declared and/or paid by the Company for the financial year 2021-22, is in compliance with the Dividend Distribution Policy.

The Dividend Distribution Policy of the Company is set out as 'Annexure A' forming a part of this Report and is also available on Company's website at [https://www.gmmpfaudler.com/index.php/file/Dividend\\_Distribution\\_Policy.pdf](https://www.gmmpfaudler.com/index.php/file/Dividend_Distribution_Policy.pdf).

## **6. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

The performance and financial position of the Company's subsidiaries for the financial year ended March 31, 2022 are set out as 'Annexure B' forming a part of this Report.

The Policy for determining Material Subsidiaries, as approved by the Board, is uploaded on the Company's website and can be accessed at <https://www.gmmpfaudler.com/index.php/file/PolicyfordeterminingMaterialSubsidiaries.pdf>.

## **7. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:**

The Internal Financial Controls with reference to financial reporting as designed and implemented by the Company are adequate and ensures that all transactions are authorized, recorded and reported correctly in a timely manner. 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 systems are commensurate with the nature of its business, size and complexity of its operations. Appropriate internal control policies and procedures have been setup to ensure compliance with various policies, practices and statutes keeping in view the organization's pace of growth and increasing complexity of operations. The Internal Auditors carry out extensive audits throughout

the year across all functional areas and submit their reports to the Audit Committee to further strengthen the process and make them more effective. The Audit Committee periodically reviews the adequacy and effectiveness of the Company's internal financial control and implementation of audit recommendation.

## **9. MANAGEMENT DISCUSSION & ANALYSIS:**

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

## **10. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:**

SEBI vide SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. May 5, 2021, has introduced new reporting requirements for the top 1000 listed companies with effect from the financial year 2022-23 on ESG (Environment, Social and Governance) parameters called the Business Responsibility and Sustainability Report (BRSR).

The Company has voluntarily submitted Business Responsibility and Sustainability Report in place of the Business Responsibility Report for the financial year 2021-22. The BRSR sets out 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.

The Company has embarked on the ESG (Environment, Social and Governance) Excellence Journey to nurture long-term business sustainability and create value for all its stakeholders. Towards this objective, the Company has prepared a 3-year ESG Strategy and Roadmap. Detailed information regarding the same is furnished in the ESG Report which forms part of this Annual Report.

## **11. CORPORATE GOVERNANCE:**

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

The requisite certificate from Deloitte Haskins & Sells, Chartered Accountants confirming compliance with the conditions of corporate governance as stipulated under Schedule V of

the SEBI Listing Regulations is enclosed to the Report on Corporate Governance.

## 12. CORPORATE SOCIAL RESPONSIBILITY:

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

The CSR Policy is available on the Company's website at <https://www.gmmpfaudler.com/index.php/file/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, 2022 is provided under Annual Report on CSR prescribed under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are set out as 'Annexure C' forming a part of this Report.

The Company has established a CSR Foundation under the name of GMM Pfaudler Foundation, (Section 8 Company), a wholly owned subsidiary of the Company on March 8, 2022. The Foundation will focus on activities relating to healthcare, education, environment and disaster relief in line with Company's CSR policy.

## 13. RELATED PARTY TRANSACTIONS:

All related party transactions entered by the Company during the financial year were in accordance with the Policy on dealing with related party transactions formulated and adopted by the Company. These transactions have been reviewed and certified by an Independent Consultant and approved by the Audit Committee.

The SEBI vide amendments to the SEBI Listing Regulations had introduced substantial changes in the related party transaction framework, *inter alia*, by enhancing the purview of the definition of related party, and overall scope of transactions with related parties effective April 1, 2022 or unless otherwise specified in the said amendment.

The Board of Directors on recommendations of the Audit Committee approved the revised 'Policy on related party transactions' of the Company to align it with the amendments notified by SEBI. Policy on dealing with related party transactions, is available on the Company's website at <https://www.gmmpfaudler.com/index.php/file/PolicyonRelatedPartyTransactions.pdf>

All contracts/arrangements/transactions entered into by the Company during the year under review with related parties were in the ordinary course of business and on arm's length basis in terms of provisions of the Act. Further, there are no contracts or arrangements entered into under Section 188(1) of the Act, hence no justification has been separately provided in that regard.

There are no materially significant related party transactions that may have potential conflict with interest of the Company at large.

The particulars of contracts or arrangements entered into with the related party are set out in Note 41 to the standalone financial statements of the Company forming part of the Annual Report. The Company in terms of Regulation 23 of the SEBI Listing Regulations submits within the stipulated time from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis to the stock exchanges, in the format specified in the relevant accounting standards and SEBI.

## 14. RISK MANAGEMENT POLICY:

The Company continuously sharpens its risk management systems and processes in line with a rapidly changing business environment. Accordingly, the Company has revised its Risk Management policy to ensure sustainable growth of the organisation and to promote pro-active approach in evaluating, mitigating, and reporting such risks associated with the business. The said policy is available on the Company's website at [https://www.gmmpfaudler.com/index.php/file/Risk\\_Management\\_Policy.pdf](https://www.gmmpfaudler.com/index.php/file/Risk_Management_Policy.pdf)

The Risk Management Committee (RMC) of the Board facilitates implementation of Risk Management Policy and Framework. RMC also apprises the Board about the evolving changes in the risk universe (landscape) and recommends actions to be taken.

A sub-committee of the RMC named Executive Risk Management Council (ERMC) has been formed to consistently monitor and record changes in the business environment, threats and factors impacting the risk profile of the Company. The ERMC tracks and reports the implementation of the risk mitigation plans to the RMC which in turn reports to the Board of Directors.

Necessary information on the reference to the Committee, meetings of the Risk Management Committee held during the year and other related

information are furnished in the Corporate Governance Report attached herewith and forms part of this Report.

## **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 Act and Regulation 17 of the SEBI Listing Regulations.

During the year under review, Mr. Thomas Kehl and Mr. Alexander Pömpner (Pfaudler Representatives) resigned as Directors of the Company w.e.f. the end of business hours on May 28, 2021. Mr. Malte Woweries was appointed as a Non-Executive Director and Representative of Pfaudler w.e.f. May 28, 2021 in the casual vacancy caused by resignation of Mr. Alexander Pömpner. The Board of Directors appointed Mr. Prakash Apte as an Independent Director of the Company w.e.f. May 25, 2022, subject to approval by the Shareholders. Mr. Apte shall succeed as Chairman of the Company post retirement of Dr. S. Sivaram at the ensuing 59<sup>th</sup> Annual General Meeting ("AGM").

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

Pursuant to the provisions of Section 152 of the Act, Mr. Harsh Gupta, Director being longest in the office, will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment. The Board recommends his appointment in accordance with the provisions of the Act.

All Directors have given a certificate to the Compliance Officer confirming the adherence to the Code of Conduct & Ethics Policy of the Company for the financial year 2021-22.

### **B. KEY MANAGERIAL PERSONNEL:**

During the year under review, Mr. Aseem Joshi was appointed as the Chief Executive Officer of the Company w.e.f. November 8, 2021. Mr. Ashok Pillai retired with effect from the close of business hours of March 31, 2022 and consequently ceased to be

the Chief Operating Officer and a Key Managerial Personnel ("KMP") of the Company.

Accordingly, Mr. Tarak Patel, Managing Director, Mr. Aseem Joshi, Chief Executive Officer, Mr. Manish Poddar, Chief Financial Officer and Ms. Mittal Mehta, Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company.

The Company successfully implemented the 'Accelerated Integration Plan' for the recently hired CEO, Mr. Aseem Joshi through Egon Zehnder, an independent consultant. The said Plan helped the Company to minimize the time taken to reach full effectiveness by focusing on the right priorities and successfully addressing specific hurdles, thereby building a foundation and unleashing potential early on.

### **C. DIRECTORS' RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Act, and in relation to the audited financial statements of the Company for the year ended March 31, 2022, the Board of Directors hereby confirms that:

- a. in 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, 2022 and of the profit of the Company for the 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:**

Four (4) Meetings of the Board of Directors were held during the financial year ended March 31, 2022. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report.

#### **E. AUDIT COMMITTEE:**

The Audit Committee as on March 31, 2022 comprised of four members viz. Dr. S. Sivaram, Mr. Nakul Toshniwal, Mr. Vivek Bhatia, Independent Directors and Mr. Malte Woweries, Non Executive Director.

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

#### **F. STAKEHOLDERS RELATIONSHIP COMMITTEE & NOMINATION AND REMUNERATION COMMITTEE:**

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

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

#### **G. NOMINATION, REMUNERATION AND EVALUATION POLICY:**

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

The Nomination and Remuneration and Evaluation Policy is available on the website of the Company at <https://www.gmmpfaudler.com/index.php/file/NominationRemuneration&EvaluationPolicy.pdf>

#### **H. BOARD EVALUATION:**

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

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

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

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

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

#### **I. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry. The Familiarization Programme for the Board and details of various familiarization programmes conducted during the year ended March 31, 2022 are available on the Company's website at <https://www.gmmpfaudler.com/file/FamiliarizationProgrammeFY22.pdf>

#### **16. VIGIL MECHANISM:**

The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by Board of Directors of the Company in compliance with the provisions of Section



177(10) of the Act and Regulation 22 of the SEBI Listing Regulations.

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

The mechanism ensures adequate protection and safeguards Directors and Employees from any victimization on reporting of unethical practices and irregularities. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. No instance under the Whistle Blower Policy was reported during the financial year 2021-22.

The Whistle Blower Policy has been appropriately communicated within the Company across all levels and is available on the website of the Company at <https://www.gmmpfaudler.com/index.php/file/WhistleBlowerPolicy.pdf>.

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

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

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

Internal Committee (IC) 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 of sexual harassment. The policy formulated by the Company for Prevention of Sexual Harassment is available on the website of the Company at <https://www.gmmpfaudler.com/index.php/file/AntiSexualHarrassmentPolicynew.pdf>

## **18. AUDITORS AND AUDITORS' REPORT:**

### **A. STATUTORY AUDITORS:**

M/s. Deloitte, Haskins & Sells, Chartered Accountants (FRN 117365W) were reappointed as Statutory Auditors of the Company, for a second term of consecutive five years, i.e. from

the conclusion of 57<sup>th</sup> Annual General Meeting till the conclusion of 62<sup>nd</sup> Annual General Meeting by the shareholders of the Company. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Auditors' Report for the financial year ended March 31, 2022 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 AUDITORS:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under, the Board of Directors had appointed M/s. Rathi and Associates, Practicing Company Secretaries for conducting Secretarial Audit Report of the Company for the financial year 2021-22.

The Secretarial Audit Report obtained pursuant to the provisions of Section 204 of the Act and Rules made there under, from M/s. Rathi and Associates, Practicing Company Secretaries for the financial year 2021-22 is set out at 'Annexure D' forming a part of this Report.

Further, the Board of Directors at their meeting held on May 25, 2022 have re-appointed M/s. Rathi and Associates, Practicing Company Secretaries for conducting Secretarial Audit Report of the Company for the financial year 2022-23.

### **C. COST AUDITORS:**

M/s. Dalwadi & Associates, Cost Accountants, Ahmedabad, Cost Auditors of the Company for the financial year 2021-22 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 2022-23. Necessary resolution for ratification of payment of remuneration to the said Cost Auditors for the financial year 2022-23, forms part of the Notice of the ensuing Annual General Meeting.

### **D. INTERNAL AUDITORS:**

Mazars Business Advisors Pvt. Ltd., Internal Auditors of the Company have been reappointed by the Board of Directors as Internal Auditors of the Company for the financial 2022-23.

Further, no fraud in terms of the provisions of Section 143(12) of the Act, has been reported by the Auditors in their report for the year under review.

## 19. CREDIT RATING:

During the year under review, CRISIL Ratings Ltd. vide its report dated February 2, 2022 has reaffirmed the Company's long-term banking facilities the CRISIL AA-/Stable.

Further, CRISIL has also re-affirmed short-term banking facility ratings at CRISIL A1+.

Further, ICRA Ltd vide its report dated March 21, 2022 has reaffirmed the Company's long-term banking facilities the [ICRA]AA-(Stable) and re-affirmed short-term banking facility ratings at [ICRA]A1+.

The above ratings are considered to have a high 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 E' forming a part of this Report.

### B. DISCLOSURES UNDER SECTION 134(3)(I) 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, 2022.

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

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

### D. ANNUAL RETURN:

The Annual Return of the Company for the financial year ended March 31, 2022 in Form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014 is available on the Company's website at <https://www.gmmpfaudler.com/file/Annual-Return-FY22.pdf>

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

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

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

The particulars of loans given and investments made during the financial year under Section 186 of the Act are given at Notes forming part of the Financial Statements. During the financial year, the Company has neither provided any securities nor provided corporate guarantees for loans availed by 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 32,500 from Mavag AG, wholly owned subsidiary of the Company.

### H. INVESTOR EDUCATION AND PROTECTION FUND:

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

During the year under review, the Company has transferred ₹2,42,809 on account of unclaimed/unpaid dividend along with corresponding 6,445 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](mailto:mittal.mehta@gmmpfaudler.com)

## 21. 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 2021-22:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. Issue of sweat equity shares.
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.
5. During the year under review, there was no change in the nature of business of the Company.
6. None of Financial Statements of the Company, pertaining to previous financial years were revised during the financial year under review.
7. 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.
8. No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable; and
9. The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.
10. The Board of Directors confirm that the Company has complied with the applicable Secretarial Standards issued by ICSI on Meetings of the Board of Directors and General Meetings.

## 22. ACKNOWLEDGEMENT:

The Board of Directors of the Company acknowledge with gratitude the support received from shareholders, bankers, customers, suppliers, business partners, regulatory and government authorities. 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**  
Chairman  
DIN : 00009900

**Tarak Patel**  
Managing Director  
DIN : 00166183

**Place:** Mumbai  
**Date:** May 25, 2022

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

# Annexure 'A'

## DIVIDEND DISTRIBUTION POLICY

### 1. INTRODUCTION

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

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

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

### 2. OBJECTIVE

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

### 3. PHILOSOPHY

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

### 4. DEFINITIONS

#### 4.1 Unless repugnant to the context:

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

"Applicable Laws" shall mean the Companies Act, 2013 and Rules made thereunder, the Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

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

"Board" or "Board of Directors" shall mean Board of Directors of the Company.

"Dividend" shall mean Dividend as defined under Companies Act, 2013.

"Policy or this Policy" shall mean the Dividend Distribution Policy.

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

### 4.2 Interpretation

In this Policy, unless the contrary intention appears:

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

Words in singular number include the plural and vice versa.

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

## 5. PARAMETERS FOR DECLARATION OF DIVIDEND

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

### 5.1 Internal Factors / Financial Parameters

1. Consolidated net operating profit after tax;

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

## 5.2 External Factors

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

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

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

- 6.1 Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- 6.2 Significantly higher working capital requirements adversely impacting free cash flow;
- 6.3 Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- 6.4 Whenever it proposes to utilize surplus cash for buy-back of securities; or
- 6.5 In the event of inadequacy of profits or whenever the Company has incurred losses.

## 7. UTILIZATION OF RETAINED EARNINGS

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

## 8. PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

- 8.1 The Company has only one class of shares referred to as equity shares of the face value of Rs. 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.



# Annexure 'B'

## PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

(Amount in Crore)

As on financial year ended on March 31, 2022

### PART A - SUBSIDIARIES

Sr. No	Name of the subsidiary	GMM Pfaudler Foundation	Mavag AG	GMM International S.à.r.l.	Pfaudler GmbH*	Pfaudler Normag Systems GmbH	Pfaudler interseal GmbH	Pfaudler Service BeNeLux B.V.	Pfaudler S.r.l.	Pfaudler Limited	Pfaudler (Chang Zhou) Process Equipment Company Limited#	Pfaudler S.A. de C.V.	Eolon Inc.	GMM Pfaudler US Inc.®	Pfaudler Ltda.	Pfaudler Private Limited
1	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
2	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	INR	CHF	USD	EUR	EUR	EUR	EUR	EUR	EUR	CNY	MXN	USD	USD	BRL	SGD
3	Share capital	0.01	20.25	4.16	85.05	0.21	0.66	0.15	62.40	154.54	62.50	2.23	40.58	-	12.56	0.84
4	Reserves and Surplus	-	100.80	351.84	127.98	60.98	53.10	21.03	21.63	21.59	32.95	5.93	59.61	147.05	70.83	-0.39
5	Total Assets	0.01	259.83	711.85	815.03	158.27	74.60	32.25	174.37	244.94	291.11	11.72	135.85	729.10	115.45	0.52
6	Total Liabilities	-	138.78	355.85	602.00	97.08	20.84	11.07	90.34	68.81	195.66	3.56	35.66	582.05	32.06	0.07
7	Investments	-	74.72	682.76	178.53	-	-	-	-	6.31	-	-	-	103.54	-	-
8	Turnover	-	165.51	-	390.55	136.48	85.72	34.87	146.57	163.08	167.75	14.39	87.95	607.71	104.56	-
9	Profit before taxation	-	23.22	-39.50	-3.56	-6.10	6.87	3.48	7.46	10.71	7.38	1.46	5.80	-1.01	19.41	0.10
10	Provision for taxation	-	3.03	-	2.16	1.87	1.09	-0.61	-2.61	0.97	-1.78	-0.43	-5.01	-20.14	-6.34	-
11	Profit after taxation	-	20.19	-39.50	-1.40	-4.22	7.96	2.87	4.86	11.68	5.60	1.04	0.79	-21.14	13.07	0.10
12	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	% of shareholding	100%	100%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%

Note(s):

\*Including subsidiary - Pfaudler France S.à.r.l.

@Including subsidiary - Glasteel Parts and Services, Inc

### PART B - ASSOCIATE COMPANIES AND JOINT VENTURES

As on March 31, 2022, the Company does not have any Associate Companies or Joint Ventures.

The accompanying notes are an integral part of these financial statements

For and on behalf of the Board of Directors of GMM Pfaudler Limited

**Dr. S. Sivaram**

Chairman

DIN: 00009900

Mumbai, May 25, 2022

**Tarak Patel**

Managing Director

DIN: 00166183

Mumbai, May 25, 2022

**Manish Poddar**

Chief Financial Officer

FCA 098238

Mumbai, May 25, 2022

**Mittal Mehta**

Company Secretary

FCS 7848

Mumbai, May 25, 2022

# Annexure 'C'

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

### 1. Brief outline on CSR Policy of the Company.

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

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

### 2. Composition of CSR Committee:

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

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

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

**Composition of CSR Committee:** <https://www.gmmpfaudler.com/about-us/leadership/board-of-directors>

**CSR Policy:** <https://www.gmmpfaudler.com/file/CorporateSocialResponsibilityPolicy.pdf>

**CSR projects:** <https://www.gmmpfaudler.com/sustainability/corporate-social-responsibility>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): The Company has voluntarily obtained an Impact Assessment Report, which is available on the Company's website at <https://www.gmmpfaudler.com/uploads/files/gmm-pfaudler-impact-assessment-report.pdf>.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not applicable

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

6. Average net profit of the company as per section 135(5): ₹88.55 crore
7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 1.77 crore  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (c) Amount required to be set off for the financial year, if any: Nil  
 (d) Total CSR obligation for the financial year (7a+7b- 7c): ₹1.77 crore
8. (a) **CSR amount spent or unspent for the financial year:**

Amount in INR

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

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

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

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

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local Area (Yes/ No)	Location of project		Amount spent for the project (amt in ₹)	Mode of implementation-Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State	District			Name	Registration number
1	Project SPARSH aims at connecting the last person in villages to appropriate levels of healthcare through trained Village Health Workers (VHWs health centres by and a tertiary care centre for critical cases.	Promoting rural Healthcare including preventive healthcare	Yes	Gujarat	Anand	30,00,000	No	Charutar Arogya Mandal	CSR00002068

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local Area (Yes/No)	Location of project		Amount spent for the project (amt in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
2	Setting up COVID ward at Shri Krishna Hospital	Promoting rural Healthcare including preventive healthcare	Yes	Gujarat	Anand	30,00,000	No	Charutar Arogya Mandal	CSR00002068
3	Purchase of equipment for the Ophthalmology Department of Shri Krishna Hospital	Promoting rural Healthcare including preventive healthcare	Yes	Gujarat	Anand	21,00,000	No	Charutar Arogya Mandal	CSR00002068
3	Setting up of an immersive 'walk through exhibition' on the life of Sardar Patel at the Sardar Patel Memorial in Karamsad	Promoting Education	Yes	Gujarat	Anand	41,10,533	No	Sardar Patel Memorial Trust	CSR00010819
5	Skill Development Program towards annual operating expenses for the financial year 2020-21.	Promoting education and enhancing vocational skills	Yes	Gujarat	Anand	25,00,000	No	J V Patel Industrial Training Institute	CSR00008948
6	Project "Re(ef)Generate" that aims to pilot the restoration and rehabilitation of corals in the in the Andaman Islands.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna	No	Andaman Islands	NA	15,00,000	No	Reef-Watch Marine Conservation	CSR00004409
7	Rescue and rehabilitation of marine life on the Karnataka coast	Ensuring environmental sustainability, ecological balance, protection of flora and fauna	No	Karnataka	Udupi	15,00,000	No	Reef-Watch Marine Conservation	CSR00004409
<b>Total</b>						<b>1,77,10,533</b>			

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

(e) Amount spent on Impact Assessment, if applicable: ₹ **9,80,000**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹**1.77\*** crore

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount in INR
(i)	Two percent of average net profit of the company as per Section 135(5)	1,77,10,533
(ii)	Total amount spent for the Financial Year	1,77,10,533
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

\*Excluding amount spent for Impact Assessment.

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

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

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

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

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

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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

**For and on behalf of the Board of Directors**

**Bhawana Mishra**  
Chairperson of the CSR  
DIN : 06741655

**Tarak Patel**  
Managing Director  
DIN : 00166183

**Place:** Mumbai

**Date:** May 24, 2022

**Registered Office:**

Vithal Udyognagar, Anand – Sojitra Road,  
Karamsad – 388 325, Gujarat



# Annexure 'D'

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members,  
**GMM PFAUDLER LIMITED**  
Vithal Udyognagar,  
Anand – Sojitra Road,  
Karamsad – 388325

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 March 31, 2022, 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 for the Financial Year ended on March 31, 2022, 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 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, Overseas Direct Investment and External

Commercial Borrowings for 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;
  - iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - iv. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 were not applicable to the Company under the financial year under report:
  - i. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with clients;
  - 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, 2021; and
  - v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
3. We further report that having regard 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 the 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.as applicable to the Company.

**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. The changes in the composition of the Board of Directors that took place during the period under report were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board meetings and the agenda and detailed notes on agenda were sent atleast seven days in advance. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before

the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings, all the decisions of the Board were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the following events took place that had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to hereinabove:

- (a) The Company sought approval of its shareholders for adoption of GMM Pfaudler Employee Stock Option Plan 2021; and
- (b) extension of benefits of 'GMM Pfaudler Employee Stock Option Plan 2021' to the employees of subsidiary company(ies) of the Company.

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

M. No. FCS 5637

C.P. No. 2535

UDIN: F005637D000382376

Peer Review Cert. No: 668/2020

Place: Mumbai

Date: May 25, 2022

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

# ANNEXURE - I

To  
The Members  
**GMM PFAUDLER LIMITED**  
Vithal Udyognagar,  
Anand – Sojitra Road,  
Karamsad – 388325,

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on the information provided to us during 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. Wherever 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, guidelines and 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  
M. No. FCS 5637  
C.P. No. 2535

Place: Mumbai  
Date: May 25, 2022

# Annexure 'E'

## 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. Replaced 18 Nos. of Old model pneumatic air grinder with new model of energy efficient grinders resulting in savings of 14,553 KWH/ annum.
2. Installed one Rainwater harvesting well having capacity of 40 KL to improve ground water level.
3. Added new 36KW Furnace to utilize in Fill loop cover (in parts division) instead of usage of 50KW furnace, resulting in savings of 14KW/ hour in manufacturing process.
4. Installed 7 nos. of inverter-based welding machine and reduced 25,200 KWH/annum power consumption over rectifier base welding machine.
5. Installed 17 Nos. of three star Split AC for power saving.

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

1. Total Power of about 12.50 lakh KWH was generated for the financial year ended March 31, 2022 from the 1MW Roof Top Solar Plant with grid connectivity installed by the Company.
2. The Company owns and maintains windmills with a total generating capacity of 1.8 MW. The windmills generated about 13.82 lakh KWH for the year financial ended March 31, 2022.

#### (c) Strategic initiation to improve machine condition & availability:

1. Installed new 6 Nos. spray booth with controlled atmosphere to control humidity & dust for GL spraying application.
2. Improved machine availability by analysis of data & corrective actions, predictive maintenance (Condition based) for critical equipment parameters.
3. Implemented preventive maintenance for Electrical panels, secondary equipment like

Welding roller, Positioner, Welding machine other than critical equipment.

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

1. Retrofitting work done to improve efficiency and minimize breakdown time of the following equipment:
  - 30T EOT Crane (Alloy Plant) retrofitting work done.
  - VTL VB02 electrical panel replaced by new one.
  - EDLON 90KW Furnace panel replaced by new featured panel.
  - 30KW Valve electric furnace panel modified by thyristor based control panel.

#### (e) Safety:

1. Received certificate for "Safety System Excellence Award", organized by the Federation of Indian Chambers of Commerce & Industry (FICCI).
2. Arranged bellow Safety related trainings for Workmen/Staff awareness.
  - COVID-19 Awareness
  - Activity related shop floor training
  - Use of PPE training
  - Basic Fire Fighting.
3. Installed Smoke detector in INTERSEAL building.
4. Installed ACB of 2500A for OE LT load, also expanded capacity of panel LT bus by adding extra busbar.
5. Developed electrical panel room with double door entry to minimize dusting insertion in panel room.
6. 400KVA (Alloy plant) LT Transformer retrofitted & incorporated safety features.
7. Replaced 6 Nos. roller new Electrical panel with VFD.
8. Continued with the 5S activities though out the company to improve housekeeping.

(f) Capital investment on energy conservation equipment: Nil

**B. Technology absorption:**

(i) **The efforts made towards technology absorption:** In house product development team works on product improvement, import substitution and new products.

(ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:** Cost reduction, import substitution and new products.

(iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

- (a) The details of technology imported – Nil
- (b) The year of import – N.A.
- (c) Whether the technology been fully absorbed – N.A.
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof – N.A.

**For and on behalf of the Board of Directors**

**Dr. S. Sivaram**

Chairman

DIN : 00009900

**Place:** Mumbai

**Date:** May 25, 2022

**Registered Office:**

Vithal Udyognagar, Anand – Sojitra Road,  
Karamsad – 388 325, Gujarat

**C. Expenditure incurred on research and development:**

Particulars	(₹ in crore)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Capital Expenditure	-	-
Recurring Expenditure	4.28	5.35
<b>Total</b>	<b>4.28</b>	<b>5.35</b>
Total R & D Expenditure as % of Total Turnover	0.50%	1%

**D. Foreign exchange earnings and Outgo:**

Particulars	(₹ in crore)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Actual Foreign Exchange earnings	109.62	58.21
Actual Foreign Exchange outgo	35.06	13.19

**Tarak Patel**

Managing Director

DIN : 00166183



# Annexure 'F'

## 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 2021-22:

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.
* Mr. Nakul Toshniwal - Non-Executive & Independent Director	N.A.	N.A.
*Ms. Bhawna Mishra - Non-Executive & Independent Director	N.A.	N.A.
*Mr. Vivek Bhatia - Non-Executive & Independent Director	N.A.	N.A.
*Mr. Harsh Gupta - Non-Executive Director	N.A.	N.A.
*Mr. Malte Woweries - Non-Executive Director	N.A.	N.A.
*Mr. Ashok Patel - Non-Executive Director	N.A.	N.A.
#@Mr. Alexander Pömpner - Non-Executive Director	N.A.	N.A.
#@Mr. Thomas Kehl - Non-Executive Director	N.A.	N.A.
^Mr. Gunther Bachmann - Non-Executive Director	N.A.	N.A.
Mr. Tarak Patel - Managing Director	61%	176
%Mr. Aseem Joshi - Chief Executive Officer	N.A.	N.A.
&Mr. Manish Poddar - Chief Financial Officer	8%	19
Ms. Mittal Mehta - Company Secretary & Compliance Officer	12%	6
\$Mr. Ashok Pillai - Chief Operating Officer	9%	23

\* Entitled for sitting fees.

# Sitting fees waiver given.

@ Mr. Alexander Pömpner & Mr. Thomas Kehl resigned as Directors on May 28, 2021 and Mr. Malte Woweries was appointed in causal vacancy on May 28, 2021.

^ Mr. Gunther Bachmann was appointed as a Director on June 28, 2021 and resigned on July 21, 2021.

% Mr. Aseem Joshi was appointed as Chief Executive Officer w.e.f. November 8, 2021.

& Mr. Manish Poddar was appointed as Chief Integration Officer w.e.f. October 21, 2020 and re-designated as Chief Financial Officer w.e.f. January 20, 2021. Accordingly, the remuneration paid to him for FY22 is strictly not comparable with previous year.

\$ Mr. Ashok Pillai retired as Chief Operating Officer w.e.f. closing hours of March 31, 2022.

### 2. The percentage increase in the median remuneration of employees in the financial year ended March 31, 2022: 5.22%

Median remuneration and average percentage increase in salary is 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: 743

### 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. 2021-22 was 12.02%, whereas the increase in the managerial remuneration for the same financial year was 61%. Managerial personnel includes Managing Director.

The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also as per the market trend.

**5. Affirmation that the remuneration is as per the remuneration policy of the Company:**

Remuneration paid to Directors, Key Managerial Personnel and other employees is as per the remuneration policy of the Company.

Further, in terms of the provisions of sub-rules (2) and (3) of Rule 5 of the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other details of the employees drawing remuneration in excess of the limits set out in these Rules forms part of the Annual Report. In terms of Section 136 of the Companies Act, 2013, this report is being sent to the Members and others entitled thereto, excluding the aforesaid information. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company.

**For and on behalf of the Board of Directors**

**Dr. S. Sivaram**

Chairman

DIN : 00009900

**Tarak Patel**

Managing Director

DIN : 00166183

**Place:** Mumbai

**Date:** May 25, 2022

**Registered Office:**

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

**Note:** While determining the median and the average increase we have taken the following assumptions:

- We have excluded the employees who have joined in the FY 2021-22; and
- We have excluded the employees who have ceased to be employees in the FY 2021-22.

# Report on Corporate Governance

A report for the financial year ended March 31, 2022 on the compliance by the Company of the Corporate Governance requirements under Regulation 34 read with Schedule V 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 the Chief Executive Officer and Chief Financial Officer along with a core group of senior level executives.

The Company Secretary assists the Chairman and Managing Director in management of the Board's administrative activities such as meetings, schedules, agendas, communication and documentation.

## 3. ETHICS / GOVERNANCE POLICIES:

At GMM Pfaudler, we strive to conduct our business and strengthen our relationships in a manner

that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Anti-Corruption Policy
- Anti-Sexual Harassment Policy
- Antitrust Guidelines
- Board Diversity Policy
- Code of Conduct & Ethics Policy
- Code of Conduct for Prevention of Insider Trading
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Corporate Social Responsibility Policy
- Communications Policy
- Dividend Distribution Policy
- ESG Policy
- Export Compliance Guidelines
- Familiarization Policy
- Nomination, Remuneration & Evaluation Policy
- Policy for Determining Material Subsidiaries
- Policy on Determination of Material Events
- Policy for Preservation of Documents and Archival of Documents
- Policy on Related Party Transactions
- Policy and Procedure for enquiry in case of Leak/ Suspected leak of Unpublished Price Sensitive Information
- Risk Management Policy
- Suppliers' Code of Conduct
- Whistle Blower Policy

The codes and policies that are required to be disclosed as per the Listing Regulations are available on the website of the Company at <https://www.gmmpfaudler.com/investors/policies-programmes>.

#### **4. SCHEDULING OF BOARD AND COMMITTEE MEETINGS:**

Minimum four pre-scheduled Board meetings are held annually. Additionally, Board meetings are convened to address the Company's specific needs. In case of business exigencies or urgency, resolutions are passed by circulation. The maximum gap between any two consecutive meetings was not more than 120 (one hundred and twenty) days, as stipulated under Section 173(1) of the Act and Regulation 17(2) of the SEBI Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of

India. Also, the necessary quorum was present for all the meetings. The Managing Director and the Company Secretary, in consultation with other concerned members of the senior management, finalize the agenda for Board/ Committee meetings.

The agenda along with explanatory notes are circulated to Directors in advance. All Board and Committee meetings' agenda papers are disseminated electronically on a real-time basis, by uploading them on a secured online application specifically designed for this purpose, thereby eliminating circulation of printed papers.

#### **5. RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS:**

The Company Secretary records minutes of proceedings of each of the Board and Committee meetings. Draft minutes are circulated to Board / Committee members for their comments as prescribed under Secretarial Standard-1 issued by the Institute of Company Secretaries of India. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

#### **6. POST MEETING FOLLOW-UP MECHANISM:**

The guidelines for Board / Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof.

Important decisions taken at Board / Committee meetings are communicated promptly to the concerned departments. Minutes of the previous meeting(s) are 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, Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India.

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings.

## 8. BOARD OF DIRECTORS:

### a) Composition of the Board:

The Board has an optimum combination of Executive, Non-Executive and Independent Directors, including an Independent Woman Director in conformity with the composition requirements as per Regulation 17(1) of the Listing Regulations and other applicable regulatory requirements. As on date the Board comprises of 9 (Nine) Directors, of which 1 (One) is Executive and 8 (Eight) are Non-Executive, of which 5 (Five) are Independent Directors. The Chairman of the Company is an Independent Director.

The Board of Directors appointed Mr. Prakash Apte as an Independent at the Board meeting held on May 25, 2022 as a part of the succession planning. Mr. Apte shall succeed as Chairman of

the Company post retirement of Dr. Sivaram who is scheduled to retire on the date of 59<sup>th</sup> AGM.

The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The Company also has a succession plan in place for the Board, Key Managerial Personnel and Senior Management of the Company.

### b) Number and dates of Board meetings held during the financial year 2021-22:-

4 (Four) Board Meetings were held during the year ended on March 31, 2022 on May 28, 2021, August 12, 2021; October 28, 2021; and February 3, 2022.

### c) Details of composition of the Board of Directors, attendance at the Board meetings, Annual General Meeting shareholding, other Directorship and Committee positions held in other Companies of each Director as on date:

Name of Director	Category of Directorship	Attendance at		Number of Equity shares held in the Company\$	Number of Directorships in other Companies**	Number of Committee positions held in other Companies%
		Board Meetings	Last Annual General Meeting			
Dr. S. Sivaram (Chairman)	Non-Executive, Independent Director	4	Yes	Nil	5	Nil
Mr. Nakul Toshniwal	Non-Executive, Independent Director	4	Yes	Nil	1	Nil
Ms. Bhawana Mishra	Non-Executive, Independent Director	4	Yes	Nil	Nil	Nil
Mr. Vivek Bhatia	Non-Executive, Independent Director	4	Yes	Nil	Nil	Nil
Mr. Ashok Patel *	Non-Executive Director	4	Yes	2,83,980@	2	Nil
Mr. Harsh Gupta#	Non-Executive Director	4	Yes	Nil	1	Nil
Mr. Malte Woweries#	Non-Executive Director	3	Yes	Nil	Nil	Nil
Mr. Tarak Patel *	Executive Director (Managing Director)	4	Yes	1,73,960	1	0
+Mr. Prakash Apte	Non-Executive Independent Director	N.A.	N.A.	Nil	3	3
Mr. Thomas Kehl #^	Non-Executive Director	1	N.A.	Nil	Nil	Nil
Mr. Alexander Pömpner#^	Non-Executive Director	1	N.A.	Nil	Nil	Nil
^^Mr. Gunter Bachmann	Non-Executive Director	N.A.	N.A.	Nil	Nil	Nil

# Representing Foreign Promoters viz. Pfaudler Inc and appointed w.e.f. May 28, 2021.

\* Indian Promoters

\$ The Company has not issued any convertible debentures

@ Includes 2,77,235 equity shares held as Karta of Ashok Patel HUF

+ Appointed w.e.f. May 25, 2022

^ Resigned w.e.f. May 28, 2021

^^Appointed w.e.f. June 28, 2021 and resigned w.e.f. July 21, 2021

\*\* 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 other public listed companies:**

Name of Director	Directorships in other Companies	Type of Directorships
Dr. S. Sivaram	<ul style="list-style-type: none"> <li>• Apcotex Industries Ltd.</li> <li>• Deepak Nitrite Ltd.</li> <li>• Supreme Petrochem Ltd.</li> </ul>	Independent Director
Mr. Nakul Toshniwal	Nil	Not Applicable
Mr. Ashok Patel	Skyline Millars Ltd	Non-Executive Director
Mr. Tarak Patel	Skyline Millars Ltd (Resigned as a director w.e.f. May 11, 2022)	Non-Executive Director
Ms. Bhawana Mishra	Nil	Not Applicable
Mr. Malte Woweries+	Nil	Not Applicable
Mr. Vivek Bhatia	Nil	Not Applicable
Mr. Harsh Gupta	Nil	Not Applicable
Mr. Prakash Apte*	<ul style="list-style-type: none"> <li>• Fine Organic Industries Ltd.</li> <li>• Kotak Mahindra Bank Ltd.</li> </ul>	Independent Director
Mr. Gunter Bachmann^	Nil	Not Applicable
Mr. Thomas Kehl -	Nil	Not Applicable
Mr. Alexander Pömpner -	Nil	Not Applicable

+ Appointed w.e.f. May 28, 2021

-Resigned w.e.f. May 28, 2021

^ Appointed w.e.f. June 28, 2021 and resigned w.e.f. July 21, 2021

\*Appointed w.e.f. May 25, 2022

Pursuant to the provisions of Section 165(1) of the Companies Act, 2013 and 17A of the Listing Regulations, none of the Directors:

- hold Directorships in more than 20 companies (Public or Private),
- hold Directorships in more than 10 public companies,
- hold Membership of Board Committees (Audit & Stakeholders Relationship Committees) in excess of 10 and Chairpersonship of Board Committee in excess of 5.
- serve as Director in more than 7 listed companies.
- who serve as Managing Director/Whole Time Director in any listed company serves as Independent Director in more than 3 listed companies.

**e) Disclosure of relationships between directors inter-se:**

Mr. Ashok Patel, Director is the father of Mr. Tarak Patel, Managing Director of the Company. Other

than this, none of the other Directors are related to each other.

**f) Resignation of Independent Director from the Board of the Company:**

During the year under review, there was no resignation of any Independent Director.

**g) Matrix setting out the core skills/expertise/competence of the Board of directors:**

The Board skill matrix provides a guide as to the core skills, expertise, competencies and other criteria (collectively referred to as 'skill sets') considered appropriate by the board of the Company in the context of its business and sector(s) for it to function effectively and those actually available with the Board. The skill sets will keep on changing as the organization evolves and hence the Board may review the matrix from time to time to ensure that the composition of the skill sets remains aligned to the Company's strategic direction. The skill sets identified by the Board along with directors who have such skills / expertise / competence is as under:

Name of Director	Area of expertise
Dr. S. Sivaram	Polymer Science and Technology, Technology Strategy, Corporate Governance and General Management
Mr. Nakul Toshniwal	Public Policies, Technology and General Management, Business Strategy
Ms. Bhawana Mishra	Talent and leadership development, strategic change and organizational transformation specialist
Mr. Vivek Bhatia	Finance, business strategy and extensive business experience across mining, metals & mineral processing, cement, power and engineered capital goods
Mr. Ashok Patel	International Business, Finance, Strategy, Technology and General Management
Mr. Harsh Gupta	P & L management, sales & marketing, mergers & acquisitions, and corporate planning & strategy
Mr. Malte Woweries +	Finance, Mergers & Acquisitions, Strategy and Financial Planning, Investor Communication
Mr. Tarak Patel	International Business, Finance, Strategy, Marketing and General Management and Administration
Mr. Prakash Apte~	Global business & Strategy, Finance, Agriculture, Rural Economy & Management
Mr. Thomas Kehl ^	International Business, Technology, Strategy, Marketing and General Management
Mr. Alexander Pömpner^	Finance, Strategy, Mergers & Acquisitions
Mr. Gunter Bachmann^^	International Business, Finance, Strategy

+ Appointed w.e.f. May 28, 2021.

~Appointed w.e.f. May 25, 2022.

^ Resigned w.e.f. May 28, 2021.

^^ Appointed w.e.f. June 28, 2021 and resigned w.e.f. July 21, 2021.

## 9. COMMITTEES:

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

### Composition of Committees of the Company as on date:

#### AUDIT COMMITTEE:

Sr. No.	Name of Director	Category of Directorship	Position in Committee
1	Dr. S. Sivaram	Non-Executive - Independent Director	Chairperson
2	Mr. Nakul Toshniwal	Non-Executive - Independent Director	Member
3	Mr. Vivek Bhatia	Non-Executive - Independent Director	Member
4	Mr. Malte Woweries+	Non-Executive Director	Member
5	Ms. Bhawana Mishra*	Non-Executive - Independent Director	Member
6	Mr. Harsh Gupta*	Non-Executive Director	Member
7	Mr. Alexander Pömpner^	Non-Executive Director	Member

+ Inducted as Member w.e.f. May 28, 2021.

\* Members of the Committee up to May 28, 2021.

^ Resigned as director w.e.f. May 28, 2021.

#### STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Sr. No.	Name of Director	Category of Directorship	Position in Committee
1.	Dr. S. Sivaram	Non-Executive - Independent Director	Chairperson
2.	Mr. Tarak Patel	Executive Director	Member
3.	Mr. Harsh Gupta+	Non-Executive Director	Member
4.	Mr. Alexander Pömpner^	Non-Executive Director	Member

+ Inducted as Member w.e.f. May 28, 2021.

^ Resigned as director w.e.f. May 28, 2021.

## NOMINATION & REMUNERATION COMMITTEE:

Sr. No.	Name of Director	Category of Directorship	Position in Committee
1.	Mr. Nakul Toshniwal	Non-Executive - Independent Director	Chairperson
2.	Dr. S. Sivaram	Non-Executive - Independent Director	Member
3.	Ms. Bhawana Mishra	Non-Executive - Independent Director	Member
4.	Mr. Ashok Patel	Non-Executive Director	Member
5.	Mr. Thomas Kehl <sup>^</sup>	Non-Executive Director	Member
6.	Mr. Gunter Bachmann <sup>@</sup>	Non-Executive Director	Member

<sup>^</sup> Resigned as director w.e.f. May 28, 2021.

<sup>@</sup> Resigned as director w.e.f. July 21, 2021.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Sr. No.	Name of Director	Category of Directorship	Position in Committee
1.	Ms. Bhawana Mishra <sup>+</sup>	Non-Executive - Independent Director	Chairperson
2.	Mr. Nakul Toshniwal <sup>@</sup>	Non-Executive - Independent Director	Member
3.	Mr. Tarak Patel	Executive Director	Member
4.	Mr. Ashok Patel	Non-Executive Director	Member

<sup>+</sup> Inducted as member w.e.f. April 1, 2020 and appointed as Chairperson on May 28, 2021.

<sup>@</sup> Chairperson up to May 28, 2021 and continuing as a member there after.

## RISK MANAGEMENT COMMITTEE:

Sr. No.	Name of Director	Category of Directorship	Position in Committee
1.	Mr. Vivek Bhatia	Non-Executive - Independent Director	Chairperson
2.	Dr. S. Sivaram <sup>+</sup>	Non-Executive - Independent Director	Member
3.	Mr. Harsh Gupta <sup>+</sup>	Non-Executive Director	Member
4.	Mr. Tarak Patel	Executive Director	Member
5.	Mr. Malte Woweries <sup>+</sup>	Non-Executive Director	Member
6.	Mr. Ashok Patel <sup>§</sup>	Non-Executive Director	Member
7.	Mr. Ashok Pillai <sup>§</sup>	Chief Operating Officer	Member
8.	Mr. Manish Poddar <sup>++</sup>	Chief Financial Officer	Member
9.	Mr. Alexander Pömpner <sup>^</sup>	Non-Executive Director	Member

<sup>+</sup> Inducted as member w.e.f. May 28, 2021

<sup>++</sup> Member of the Committee w.e.f. March 10, 2021 up to May 28, 2021

<sup>§</sup> Members up to May 28, 2021

<sup>^</sup> Resigned as director w.e.f. May 28, 2021

Ms. Mittal Mehta, Company Secretary & Compliance Officer is the Secretary of all the Committees.

## 10. MEETINGS OF COMMITTEES HELD DURING THE YEAR AND DIRECTORS' ATTENDANCE:

Committees of the Company	Audit Committee	Stakeholders Relationship Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee	Risk Management Committee
Meetings held	4	2	5	3	2
Director's attendance					
Dr. S. Sivaram	4	2	5	N.A.	2
Mr. Nakul Toshniwal	4	N.A.	5	3	N.A.
Mr. Tarak Patel	N.A.	2	N.A.	3	2
Mr. Ashok Patel	N.A.	N.A.	5	3	N.A.
Ms. Bhawana Mishra	1*	N.A.	5	3	N.A.
Mr. Vivek Bhatia	4	N.A.	N.A.	N.A.	2
Mr. Harsh Gupta	1*	1	N.A.	N.A.	2
Mr. Malte Woweries	3~	N.A.	N.A.	N.A.	2~
Mr. Prakash Apte§	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Alexander Pömpner	1^	1^	N.A.	N.A.	N.A.
Mr. Thomas Kehl	N.A.	N.A.	1^	N.A.	N.A.
Mr. Gunter Bachmann@	N.A.	N.A.	Nil	N.A.	N.A.

^ Resigned as a director w.e.f. May 28, 2021

\*Member of the Committee up to May 28, 2021

~Appointed w.e.f. May 28, 2021

§ Appointed as a director w.e.f. May 25, 2022

@Appointed as a director w.e.f. June 28, 2021 and resigned w.e.f. July 21, 2021

N.A. - Not a member of the Committee

## 11. PROCEDURE AT COMMITTEE MEETINGS:

The Company's guidelines relating to Board meetings are applicable to Committee meetings. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the respective committee members and subsequently placed before Board meetings for noting.

## 12. TERMS OF REFERENCE AND OTHER DETAILS OF COMMITTEES:

### A. Audit Committee:

The Committee's composition, terms of reference as well as powers are in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. Members of the Audit Committee possess the requisite qualifications and expertise.

The composition of the Committee is given in Point No. 9 of this Report. During the year under review, Mr. Malte Woweries, Non-Executive Director was inducted as member of the Audit Committee with effect from May 28, 2021.

Mr. Alexander Pömpner ceased to be a member of the Audit Committee due to resignation w.e.f. May 28, 2021. Ms. Bhawana Mishra and Mr. Harsh Gupta were members of the Audit Committee up to May 28, 2021.

### Compliance Officer:

Ms. Mittal Mehta, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Listing Regulations.

### Meeting details:

The Audit Committee met 4 (Four) times during the year under review viz. May 28, 2021,; August 12, 2021; October 28, 2021 and February 3, 2022. The quorum requirements were met for each meeting. The minutes of the Audit Committee Meetings were taken on record at the Board Meetings. Further, representatives of the Statutory Auditors are invited to attend meetings of the Committee. The Committee also invites the Managing Director, Chief Financial Officer and Internal Auditors as and when their presence at the meeting of the Committee is considered appropriate. In addition, other senior management personnel are also invited to the Committee meeting(s) from time to time, for providing such information as may be necessary.

**Scope:**

The Powers and Role of the Audit Committee is as follows:

**Powers & Role of Audit Committee:****Powers of the Audit Committee:**

- a) To investigate any activity within its terms of reference or such matter as may be referred to it by the Board and for this purpose obtain professional advice from external sources and have full access to information contained in the records of the Company;
- b) To seek information from any employee;
- c) To obtain outside legal or other professional advice; and
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary;

**Role of the Audit Committee:**

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Company's financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of section 134(3)(c) of the Companies Act, 2013;
  - b) changes, if any, in accounting policies and practices and reasons for the same;
  - c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to the financial statements;
  - f) disclosure of any related party transactions; and
  - g) modified opinion(s) in the draft audit report;

- 5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
- 8) Approval or any subsequent modification of transactions of the Company with related parties in accordance with the Company's policy on related party transactions;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the Company, wherever it is necessary, in consultation with external professional advisors, as deemed fit by the Audit Committee;
- 11) Evaluation of internal financial controls and risk management systems of the Company;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems of the Company;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) Discussion with internal auditors of any significant findings and follow up thereon.
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 16) Discussion with statutory auditors before the commencement of audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture



holders, shareholders (in case of non-payment of declared dividends) and creditors;

- 18) To review the functioning of the whistle blower mechanism and the vigil mechanism instituted by the Company. The vigil mechanism to provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the chairperson of the Audit Committee or the director nominated to play the role of Audit Committee, as the case may be, in exceptional cases;
- 19) To approve the appointment of the chief financial officer of the Company (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- 20) To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of the financial statement before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the Company.
- 21) To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor;
- 22) To review the following information as prescribed under Regulation 18(3) of the Listing regulations:
  - a) Management discussion and analysis of financial condition and results of operations;
  - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - c) Management letter/ letters of internal control weaknesses issued by the statutory auditors;
  - d) Internal audit reports relating to internal control weaknesses; and
  - e) The Appointment, removal and terms of remuneration of the chief internal auditor.
  - f) Statement of Deviations:
    - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (ii) annual statement of funds utilized for purposes other than those stated in the

offer document/prospectus/notice in terms of Regulation 32(7).

- 23) To approve all the Related Party Transactions to be entered into by the Company and grant omnibus approval for the Related Party Transactions proposed to be entered into by the company subject to the following conditions:
  - a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.
  - b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
  - c) Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price/ current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;
 

Provided that where the need for Related Party Transactions cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.
  - d) Audit Committee shall review, at least on a quarterly basis, the details of RPT's entered into by the Company pursuant to which the omnibus approval was given.
  - e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- 24) To review financial statements of, and investments made by, unlisted subsidiaries of the Company in accordance with Regulation 24(2) of the Listing Regulations;
- 25) To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

26) To carry out any other functions as may be specified by the Board from time to time.

## B. Stakeholders Relationship Committee:

The Composition, Role, Terms of Reference as well as Powers of the Stakeholders Relationship Committee of the Company meet the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The composition of the Committee is given in Point No. 9 of this Report. During the year under review, Mr. Alexander Pömpner ceased to be a member of the Committee due to his resignation on May 28, 2021 and Mr. Harsh Gupta, Non-Executive Director was inducted as a member effective May 28, 2021.

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

### Compliance Officer:

Ms. Mittal Mehta, Company Secretary is the Compliance Officer for complying with the requirements of Listing Regulations.

### Meeting Details:

The Stakeholders Relationship Committee met two times during the year under review i.e. May 26, 2021 and October 28, 2021. 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 2021-22, is given below:

Particulars	Number of complaints
Pending at the beginning of the year under review	-
Received during the year under review	1
Resolved during the year under review	1
Pending at the end of the year under review	-

### Role of Stakeholders Relationship Committee:

1) To consider and resolve the grievances of security holders, including complaints related to transfer, transmission and transposition of shares, non-receipt of annual report, non-receipt of declared

dividends, issue of new/ duplicate share certificates, etc. in a time bound manner;

- 2) Review of measures taken for effective exercise of voting rights by shareholders.
- 3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- 5) To delegate the power of share transfers to an officer of the Company or to the registrar and share transfer agents of the Company, such that the delegated authority shall attend to share transfer formalities at least once in a fortnight and submit details of the same at the earliest to the Stakeholders Relationship Committee, with the objective of expediting the process of share transfers;
- 6) To ensure quick redressal of the complaints of all shareholders;
- 7) To maintain cordial relations with the shareholders and other security holders;
- 8) To address such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Stakeholders Relationship Committee;
- 9) To monitor at the end of every quarter, the number of grievances received, pending or not solved to the satisfaction of shareholders; and
- 10) To carry out any other functions as may be specified by the Board from time to time.

## C. Nomination and Remuneration Committee:

The Composition, Role, Terms of Reference as well as Powers of the Nomination and Remuneration Committee of the Company meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

The composition of the Committee is given at Point No. 9 of this Report. Mr. Thomas Kehl, Non-Executive Director ceased to be a member of the Nomination & Remuneration Committee due to his resignation with effect from May 28, 2021. Mr. Gunter Bachmann was inducted as member

with effect from June 28, 2021 and ceased to be a member due to his resignation with effect from July 21, 2021. Apart from the said changes, there were no other changes in the composition of the Nomination & Remuneration Committee during the year under review. The quorum requirements were met for each meeting.

**Meeting Details:**

The Nomination and Remuneration Committee met five times during the year under review i.e. May 26, 2021, August 12, 2021, August 26, 2021, October 27, 2021 and February 1, 2022. The minutes of the Nomination and Remuneration Committee Meetings were noted at the Board Meetings.

**Compliance Officer:**

Ms. Mittal Mehta, Company Secretary is the Compliance Officer for complying with the requirements of Listing Regulations.

**Role of Nomination and Remuneration Committee:**

- 1) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration for the directors, key managerial personnel and other employees of the Company. The said policy will be disclosed in the Board's report. The Nomination and Remuneration Committee shall, while formulating the aforesaid policy, to ensure that:
  - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c) remuneration to executive directors, key managerial personnel and senior management of the Company involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- 2) To consider the following while approving the remuneration payable to a manager, managing director or a whole time director under Section II or Section III of Part II of Schedule V to the Companies Act, 2013 Act and section 197 of the Companies Act, 2013 Act:

- a) take into account, financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.;
  - b) to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.
- 3) To formulate the evaluation criteria for performance evaluation of independent directors and the Board;
  - 4) To devise a policy on Board diversity;
  - 5) To identify suitable candidates for directorship including Independent directors and senior management of the Company in accordance with the criteria laid down, recommend to the Board their appointment and removal;
  - 6) To ensure that on appointment to the Board, independent directors receive a formal letter of appointment setting out clearly what is expected from them in terms of time-committee, committee service and involvement outside meetings of the Board;
  - 7) To determine whether to extend or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of the Independent Directors;
  - 8) To recommend to the Board, the plans for orderly succession for appointments to the Board and to senior management of the Company;
  - 9) To consider any other matters as may be requested by the Board.

**Performance evaluation criteria for independent directors:**

Pursuant to the provisions of the 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.

Major Evaluation Criterias, amongst other criterias, applied are:

**(a) For Independent & Non – Executive Directors:**

- i. Knowledge and Skills
- ii. Professional conduct
- iii. Duties, roles and functions

## (b) For Executive Directors

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

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

With the increase in size and scale of business of the Company, it was felt prudent to enhance the focus of the Board on the right areas to make it more effective and engaged, discern more sharply the areas to focus on that complement the management, and to articulate the agenda as also the culture we wish to create at the Board and the various sub-committees, moving forward. With this objective, the Company availed the services of Egon Zehnder for Board effectiveness and engagement program.

As an outcome of the program, a report was presented to the NRC and the Board which mentioned that the Board and committee composition & diversity, alignment on Board role and information flow & support were in line with the best practices. Further, the report included recommendations on areas such as need for increased engagement with the senior management outside of Board meetings and enhanced focus on strategic items. The identified areas by the NRC and the Board would be actioned upon by the Company.

### Remuneration of Managing Director:

Remuneration of the Managing Director is recommended by the Nomination and Remuneration Committee, fixed by the Board and approved by the shareholders. The remuneration paid to Mr. Tarak Patel for the year ended March 31, 2022 was as under:

(₹ in Crore)		
Sr. No.	Particulars	Amount
1.	Gross Salary	4.77
2.	Perquisites	0.01
3.	Commission	5.81
4.	Retiral Benefits	0.10
	<b>Total</b>	<b>10.69</b>

Note : Remuneration of ₹ 0.61 Crore was paid to Managing Director in respect of GMM International S.a.r.l which relates to previous financial year which was approved by shareholders at the Annual General Meeting held on August 13, 2021.

Payment of Commission to the Managing Director is based on the performance criteria defined by the Committee and approved by the Board.

### Non-Executive Director's Compensation:

The Company does not pay remuneration to any of the Non-Executive Directors of the Company except for the sitting fees for attending Meetings of the Board and/or Committees thereof which has been disclosed below. Apart from the said payment, there are no pecuniary relationships or transactions of the Non-Executive Directors with the Company.

Details of Sitting fees paid to Directors for the year ended March 31, 2022 are as follows:

(₹ in Crore)		
Sr. No.	Director	Sitting Fees
1	Dr. S. Sivaram	0.14
2	Mr. Nakul Toshniwal	0.14
3	Mr. Ashok Patel	0.09
4	Ms. Bhawana Mishra	0.11
5	Mr. Vivek Bhatia	0.10
6	Mr. Harsh Gupta	0.07
7	Mr. Malte Woweries	0.08

Non-Executive Directors on the Board of the Company were paid sitting fees for the financial year 2021-22 as under:

- a) INR 1,00,000 as sitting fees for each meeting of the Board of Directors and the Audit Committee
- b) INR 75,000 as sitting fees for each meeting of the Nomination and Remuneration Committee and Risk Management Committee.
- c) INR 50,000 as sitting fees for each meeting of the Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

As per the ESOP Plan 2021, none of the Directors of the Company are eligible to be granted stock options of the Company.

### EMPLOYEE STOCK OPTION PLAN (ESOP)

With the approval of the Shareholders of GMM Pfaunder Limited ("the Company") on October 28, 2021 through Postal Ballot, the Company had introduced the GMM Pfaunder Employee Stock Option Plan 2021 for eligible employees of the Company and its subsidiaries with an intention to attract and retain key talent by way

of rewarding their good performance and motivate them to contribute them to the overall growth and profitability of the Company.

The Nomination and Remuneration Committee acts as the Compensation Committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations").

Information as required under the SEBI SBEB Regulations have been made available on the Company's website at <https://www.gmmpfaudler.com/investors/shareholders-center/shareholders-meetings>. For further information please refer to the Board's Report/notes to the financial statements.

#### **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 at Point No. 9 of this Report. Ms. Bhawana Mishra Non-executive Independent Director was appointed as the Chairperson of the Corporate Social Responsibility Committee on May 28, 2021. There were no other changes in the composition of the CSR Committee during the year under review.

##### **Meeting Details:**

The CSR Committee met on three occasions viz. May 26, 2021, August 12, 2021 and February 1, 2022. 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.

The Company on March 8, 2022 has established a CSR Foundation under the name of GMM Pfaudler Foundation, a wholly owned subsidiary of the Company (Section 8 Company). The Foundation will focus on activities relating to healthcare, education, environment and disaster relief in line with Company's CSR policy.

#### **E. Risk Management Committee:**

The Board in compliance of Regulation 21 of the SEBI Listing Regulations, constituted a Risk Management Committee (RMC). The Composition, Role, Terms of Reference as well as Powers of the Risk Management Committee are in compliance with the provisions of the SEBI Listing Regulations.

The composition of Committee is given at Point No. 9 of this Report. Dr. Sivaram, Non-Executive Independent Director, Mr. Malte Woweries, Non-Executive Director and Mr. Harsh Gupta, Non-



Executive Director were inducted as members in the Risk Management Committee with effect from May 28, 2021.

**Meeting Details:**

The Risk Management Committee met twice on September 20, 2021 and March 3, 2022. The minutes of the RMC meeting were noted at the Board Meeting.

**Role of Risk Management Committee:**

- 1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- 2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- 3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- 4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- 5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- 6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- 7) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.
- 8) To perform other activities related to the risk management policy as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.

The Company has revised its Risk Management policy to ensure sustainable growth of the organisation and to promote pro-active approach in evaluating, mitigating, and reporting such risks associated with the business. The policy establishes a structured and disciplined approach to Risk Management in order to guide decisions on business risk issues. The Company has developed a Risk management Framework with an objective to enhance value of the Company and to the stakeholders (internal and external) by ensuring Company's business and growth objectives are protected.

The Risk Management Committee (RMC) of the Board facilitates implementation of Risk Management Policy and Framework. RMC also appraises the Board about the evolving changes in the risk universe (landscape) and recommends actions to be taken.

A sub-committee of the RMC named Executive Risk Management Council (ERMC) has been formed to consistently monitors and records changes in the business environment, threats and factors impacting the risk profile of the Company. The ERMC tracks and reports the implementation of the risk mitigation plans to the RMC who in turn reports to the Board of Directors. The ERMC consists of the Managing Director, Chief Executive Officer, Chief Financial Officer, Chief Risk Officer (CRO), Business Heads, Enabling Function Heads (HR, IT, other function heads). The CRO works closely with the ERMC and Risk Owners to identify risks and facilitate development of risk mitigation plans.

**13. INDEPENDENT DIRECTORS MEETING:**

In terms of requirements of the Companies Act 2013, Rules framed there under and Regulation 25(3) of the SEBI Listing Regulations, a separate meeting of Independent Directors was held on May 26, 2021 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 <https://www.gmmpfaudler.com/file/FamiliarizationProgrammeFY22.pdf>

#### 15. CODE OF CONDUCT:

The Company has in place a comprehensive Code of Conduct & Ethics Policy ('the Code') applicable to the Directors and all Employees. The Code is applicable to Non-Executive Directors including Independent Directors to such an extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the core values of the Company viz. integrity, customer value, cost consciousness, social responsibility, transparency, and accountability.

A copy of the Code has been put up on the Company's website and can be accessed at <https://www.gmmpfaudler.com/file/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 Chief Executive Officer forms a part of 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
2018-19	56 <sup>th</sup>	August 14, 2019	12 noon	Sardar Vallabhbhai Patel and Veer Vithalbai Patel Memorial, Anand - Sojitra Road, Karamsad - 388 325, Gujarat	1
2019-20	57 <sup>th</sup>	August 27, 2020	12 noon	Held through Video Conference facilities	2
2020-21	58 <sup>th</sup>	August 13, 2021	4:00 p.m.	Held through Video Conference facilities	2

All resolutions, including the special resolutions at the Annual General Meeting held on August 14, 2019 were passed by way of voting provided through e-voting platform and through physical ballots, by shareholders who did not cast votes through e-voting platform.

Since the Annual General Meeting held on August 27, 2020 and August 13, 2021 were held by way of video conferencing facilities, all resolutions, including the special resolutions at the said meetings were passed by way of electronic voting i.e. remote e-voting and e-voting at the Annual General Meeting.

Details of Special Resolutions passed at each of the AGM:

- 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 59<sup>th</sup> Annual

General Meeting to be held for the financial year 2021-22.

- 2019-20 for Re-appointment of Deloitte Haskins & Sells as statutory auditors to hold office until the conclusion of the 62<sup>nd</sup> Annual General meeting and re-appointment and payment of remuneration to Mr. Tarak Patel.
- 2020-21 for approval adoption of the amended Articles of Association of the Company and to revision in the payment of remuneration to Mr. Tarak Patel as the Managing Director of the Company

No Extraordinary General Meeting of shareholders was held during the financial year 2021-22.

##### Postal Ballot:

During the year under review, Postal Ballot Notice containing Resolutions together with the Explanatory

Statement were sent by e-mail to all the shareholders on Monday, November 2, 2021 and the last date for members to exercise their right to vote on resolutions proposed therein through e-voting process was till 5.00 P.M. of Thursday, December 2, 2021. The Managing Director and the Company Secretary were responsible for postal ballot process. Mr. Jayesh M. Shah, (FCS 5637) Partner of M/s. Rathi & Associates, Company Secretaries, Mumbai was appointed as the Scrutinizer for conducting the postal ballot exercises in a fair and transparent manner. The scrutinizer submitted his report dated December 3, 2021 and on the basis of the report of the Scrutinizer on e-voting done by the members, the following resolutions as set out in the Postal ballot notice dated October 28,

2021 were duly passed by the Shareholders of the Company with requisite majority:

**Resolution No. 1** as a Special Resolution for approval of GMM Pfaudler Employee Stock Option Plan 2021.

**Resolution No. 2** as an Special Resolution for approval of extension of benefits of the 'GMM Pfaudler Employee Stock Option Plan 2021' to the employees of subsidiary company(ies) of the Company.

**Resolution No. 3** as an Special Resolution for approval for amendment in the Articles of Association of the Company.

Details of voting pattern of the above mentioned resolutions are as under:

Resolution No.	Total number of valid Votes	No. of Shares in favour of resolution	Percentage (%)	No. of Shares against the resolution	Percentage
1	94,54,499	92,54,142	97.88	2,00,357	2.12
2	94,54,499	92,54,142	97.88	2,00,357	2.12
3	94,54,499	94,54,473	99.99	26	0.01

As on the date of signing this notice it is proposed to conduct a postal ballot to obtain approval of shareholders for:

**Resolution No. 1** as a Special Resolution for approval for appointment of Mr. Prakash Apte (DIN: 00196106) as an Independent Director of the Company'

**Resolution No. 2** as an Ordinary Resolution for increase in Authorized Share Capital from INR 5 Crore to INR 10 Crore and consequent alteration to Capital Clause of Memorandum of Association

**Resolution No. 3** as an Ordinary Resolution for Issue of Bonus Equity Shares.

## 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 'Economic Times' – English language (Mumbai and Ahmedabad) and 'Naya Padkar' – Gujarati language (Anand). Simultaneously, they are also displayed on the Company's website at <https://www.gmmpfaudler.com/investors/financial-results-reports/financial-results>
- 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 <https://www.gmmpfaudler.com/investors/financial-results-reports/investor-presentations> 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 i.e. [www.gmmpfaudler.com](http://www.gmmpfaudler.com) contains a separate dedicated section 'Investors' where Shareholders' information is made available and such other information as may be required to be uploaded on the website of the Company in compliance/ accordance with Regulation 46 of the SEBI Listing Regulations as amended from time to time.
- d) Annual Report:** The Annual Report containing, *inter alia*, Audited Financial Statements, Audited Consolidated Financial Statements, Board's Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report. The Company's Annual Report is available in downloaded form on the Company's website at <https://www.gmmpfaudler.com/investors/financial-results-reports/annual-reports>
- e) Reminder to Investors:** Reminder for unclaimed shares and unpaid dividend are sent to the shareholders as per records one month in advance of the due date to transfer of Investor Education and Protection Fund.

**f) BSE Corporate Compliance & Listing Centre ("Listing Centre"):** BSE's Listing Centre is a web-based application designed by BSE for corporates. All periodic compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on the Listing Centre.

**g) NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for corporates. All periodic compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on NEAPS.

**h) SEBI Complaints Redress Systems (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of the system are: centralized database of all complaints, online upload of Action Taken Report (ATR's) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**i) Designated Exclusive email ID:** The Company has a designated email ID exclusively for investor services i.e. investorservices@gmmpfaudler.com

## 18. OTHER DISCLOSURES:

### i) Whistle Blower Policy:

The Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct and Ethics Policy or complaints regarding accounting, auditing, internal controls or disclosure practices of the Company. It gives a platform to the whistleblower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints.

Whistle blowers can report such instances to the Chairman of the Audit Committee:

- (a) by email to chairman.auditcommittee@gmmpfaudler.com
- (b) by letter addressed to the Audit Committee, marked "Private and Confidential", and delivered to the Chairman of the Audit Committee, GMM Pfaudler Limited, 902,

VIOS Tower, Sewri-Chembur Road, New Cuffe Parade, Mumbai - 400037.

It is hereby affirmed that no personnel has been denied access to the Audit Committee.

The Whistle Blower Policy is placed on the website of the Company and web-link to the same is as under: <https://www.gmmpfaudler.com/file/WhistleBlowerPolicy.pdf>

The confidentiality of such reporting is maintained, and the whistleblower is protected from any discriminatory action.

### ii) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

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

Internal Committee (IC) 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:

a) The Company received communication from National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) dated November 3, 2020 and November 17, 2020 respectively pertaining to non-compliance under Regulation 18 of the SEBI Listing Regulations with respect to constitution of Audit Committee. The communication stated that the composition of Audit Committee was not in compliance with the requirement of having 2/3<sup>rd</sup> of Audit Committee Members as Independent Directors as per SEBI Guidance Note dated May 3, 2018, which stated that all fractions were required to be rounded off to the higher number. The Company immediately took steps to remedy the constitution of its Audit Committee and appointed Ms. Bhawana Mishra, Independent Director as an Audit Committee Member vide circular resolution dated November 10, 2020. However, a penalty of INR 3,09,160/- was levied by NSE and BSE respectively

for the said non-compliance under Regulation 18 of the Listing Regulations. Subsequently, the Company has filed a waiver application with BSE and NSE in November 2020 and February 2021 submitting facts of the case. The BSE and NSE vide email dated July 2, 2022 and September 8, 2022 respectively rejected the application for waiver of penalties levied. Accordingly, the Company has paid the requisite penalty to BSE on July 8, 2021 and to NSE on September 9, 2021.

- b) 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 SEBI Listing Regulations with regard to Corporate Governance.

• **Non-Mandatory requirements:**

- a. Office for non-executive Chairman at company's expense: Not Applicable
- b. Modified opinion(s) in Audit Report: Complied as there are no modified opinion in Audit Report
- c. Reporting of Internal Auditors directly to Audit Committee: Complied
- d. The Chairman of the Board is an Independent Director and his position is separate from that of the Managing Director and the CEO.

**v) Disclosure of commodity price risks and commodity hedging activities:**

The details are provided at point no. (H) of Management Discussion & Analysis of this report.

**vi) Related Party Transactions:**

There are no materially significant related party transactions that may have potential conflict with the interest of the Company.

Further, in terms of the provisions of Section 188(1) of the Act read with the Companies

(Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations, all contracts/ arrangements/ transactions entered into by the Company with its related parties, during the year under review, were in "ordinary course of business" of the Company and on "an arm's length basis".

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: <https://www.gmmpfaudler.com/file/PolicyonRelatedPartyTransactions.pdf>

**vii) Certificate from a company secretary in practice:**

A Certificate has been received from M/s. Rathi & Associates, Practicing Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs/ Reserve Bank of India or any such statutory authority. The same is annexed to this Report.

**viii) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

Not Applicable

**ix) Instances of not accepting any recommendation of the Committee by the Board:**

There was 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. 35 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:**

<b>Regulation No.</b>	<b>Particulars</b>	<b>Compliance Status (Yes or No)</b>
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of the Company	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance	Yes
46(2)(b)	Website	Yes

**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, Mr. Vivek Bhatia and Mr. Prakash Apte are the Independent Directors on the Board. Based on the declarations given by the Independent Directors, the Board is of the opinion that the Independent Directors meet the criteria of independence as provided under section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of management of the Company.

**xiv) Policy for Determining Material Subsidiaries:**

The policy for determining material subsidiaries is available on the Company's website at <https://www.gmmpfaudler.com/file/PolicyfordeterminingMaterialSubsidiaries.pdf>

**xv) Prevention of Insider Trading**

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 of the Company is available at

<https://www.gmmpfaudler.com/file/CodeofConductforPreventionofInsiderTrading.pdf>

The Code of fair disclosure of unpublished price sensitive information is available at <https://www.gmmpfaudler.com/file/CodeofpracticesandProceduresforFairDisclosureofUPSI.pdf>

## 19. GENERAL SHAREHOLDER INFORMATION:

### a) Annual General Meeting:

59<sup>th</sup> Annual General Meeting of the Company will be held on September 19, 2022 by video-conference.

### b) Dividend Payment Date: On or before October 17, 2022

### c) Financial year of the Company: April to March

### d) Tentative Calendar for the financial year: April 2022 to March 2023

#### Financial reporting for:

- Quarter ended June 30, 2022	: 3 <sup>rd</sup> week of July, 2022
- Quarter ended September 30, 2022	: 2 <sup>nd</sup> week of November, 2022
- Quarter ended December 31, 2022	: 4 <sup>th</sup> week of January, 2023
- Quarter ended March 31, 2023	: 4 <sup>th</sup> week of May, 2023
- Annual General Meeting for the year ended March 31, 2023	: 2 <sup>nd</sup> week of August, 2023

### e) Listing of Stock Exchange: Share of the Company are listed on:

- BSE Limited, Phiroze Jeejeebhoy Towers, 1<sup>st</sup> 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 and NSE for the financial year 2022-23 have been paid.

### f) BSE Scrip Code: 505255 / NSE Symbol - GMPFPAUDLR

### g) ISIN with NSDL & CDSL: INE541A01023

### h) 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

### i) Share Transfer System:

Share transfers are processed and share certificates duly endorsed are delivered within the regulatory timelines, 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 SEBI Listing Regulations, the listed entities (including their RTAs) are restricted from effecting Transfer of Shares in physical form w.e.f. December 5, 2018. All Shareholders are requested to convert their shares in demat mode. However, this amendment shall not affect the transmission or transposition of shares held in physical form.

### j) Shareholding Pattern as on March 31, 2022:

Category	No. of shares	Percent
Foreign Promoters - Pfaudler Inc.	47,76,736	32.68
Indian Promoters Group	32,55,329	22.27
NRI/OCB	4,11,130	2.81
Financial Institution, Nationalized Bank, Insurance Companies, Mutual Funds, FPI's, Alternate Investment Funds	26,26,069	17.96
Domestic Companies, Clearing Members, Trusts, NBFC's	44,610	0.31
IEPF	59,527	0.41
Individuals	34,44,099	23.56
<b>Total</b>	<b>1,46,17,500</b>	<b>100.00</b>

k) Distribution of Shareholding as on March 31, 2022:

Sr. No.	Slab of shareholding		Shareholders		Shares	
	No. of Equity shares held		Nos.	%	Share Amt	%
	From	To				
1	1	1000	87529	98.77	3985188	13.63
2	1001	2000	574	0.65	846848	2.90
3	2001	4000	253	0.28	718962	2.46
4	4001	6000	78	0.09	389136	1.33
5	6001	8000	33	0.04	228018	0.78
6	8001	10000	26	0.03	234378	0.80
7	10001	20000	45	0.05	628518	2.15
8	20001	Above	90	0.09	22203952	75.95
<b>Total</b>			<b>88,618</b>	<b>100.00</b>	<b>2,92,35,000</b>	<b>100.00</b>

l) The details of prices of the Equity Shares of the Company on Stock Market for the year:  
BSE Limited

Month	Market Price (INR)		BSE – Sensex	
	High	Low	High	Low
April, 2021	4,536.55	3,938.25	50,375.77	47,204.50
May, 2021	5,435.00	4,015.45	52,013.22	48,028.07
June, 2021	4,995.80	4,450.75	53,126.73	51,450.58
July, 2021	4,796.00	4,501.10	53,290.81	51,802.73
August, 2021	4,903.85	4,125.50	57,625.26	52,804.08
September, 2021	4,600.00	4,254.80	60,412.32	57,263.90
October, 2021	5,256.95	4,380.00	62,245.43	58,551.14
November, 2021	5,089.95	4,273.45	61,036.56	56,382.93
December, 2021	4,938.45	4,290.00	59,203.37	55,132.68
January, 2022	5,295.00	4,547.35	61,475.15	56,409.63
February, 2022	5,220.00	4,113.20	59,618.51	54,383.20
March, 2022	4,620.00	4,185.00	58,890.92	52,260.82

NSE Limited

Month	Market Price (INR)		BSE – Sensex	
	High	Low	High	Low
April, 2021	4,536.00	3,935.50	15,044.35	14,151.40
May, 2021	5,435.00	4,017.15	15,606.35	14,416.25
June, 2021	4,994.45	4,450.00	15,915.65	15,450.90
July, 2021	4,800.00	4,505.00	15,962.25	15,513.45
August, 2021	4,895.00	4,120.00	17,153.50	15,834.65
September, 2021	4,602.05	4,249.95	17,947.65	17,055.05
October, 2021	4,408.00	4,380.10	18,604.45	17,452.90
November, 2021	5,090.00	4,300.10	18,210.15	16,782.40
December, 2021	4,940.00	4,290.00	17,639.50	16,410.20
January, 2022	5,295.00	4,539.00	18,350.95	16,836.80
February, 2022	5,220.00	4,110.00	17,794.60	16,203.25
March, 2022	4,675.00	4,188.95	17,559.80	15,671.45

**m) Dematerialization:**

As on March 31, 2022, 98.47% of the Company's total shares representing 1,43,94,805 shares were held in dematerialized form and the balance 2,22,695 representing 1.53% shares were in Physical Form.

**n) Outstanding GDRs / ADRs / Warrants or any convertible instruments:**

There has been no issue of GDR/ADRS warrants or any convertible instruments hence no question of outstanding of any such instruments.

**o) Plant Location:**

Manufacturing Plants of the Company in India are situated at

- Vithal Udyognagar, Anand – Sojitra Road, Karamsad, 388 325, Gujarat and
- 7, Nacharam Industrial Estate, Secunderabad, Telangana
- 5/1/2, G I D C Vatva, Vatva Railway Crossing, Ahmedabad, Gujarat 382445

For details of manufacturing plants outside India kindly refer details at pg. no. 8 & 9

**p) Details of credit ratings:**

Rating Agency	Long-term banking facilities	Short-term banking facilities
CRISIL Ratings Ltd	AA-/Stable (Reaffirmed)	A1+/ (Reaffirmed)
ICRA Ltd	[ICRA]AA-(Stable) (Reaffirmed)	[ICRA]A1+ (Reaffirmed)

**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: Ms. Manasi Kandalkar Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**20. COMPLIANCE CERTIFICATE OF THE AUDITORS**

Certificate from the Company's Auditors Deloitte Haskins & Sells, confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the SEBI Listing Regulations, is attached to this Report.

### CEO declaration for compliance of the Company's Code of Conduct:

I hereby affirm that all the Board Members and Senior Management Executives of the Company have affirmed compliance with the Code of Conduct & Ethics Policy of GMM Pfaudler Limited as applicable to them for the year ended March 31, 2022.

**Aseem Joshi**

Chief Executive Officer

Place: Mumbai

Date : May 10, 2022

### CEO - CFO COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF THE SEBI LISTING REGULATIONS

We, Aseem Joshi, Chief Executive Officer and Manish Poddar, Chief Financial Officer certify to the Board that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2022 and that to the best of our 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) There are, to the best of our 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, if any:
  - i. significant changes in internal control over financial reporting during the year;
  - 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.

**Aseem Joshi**

Chief Executive Officer

PAN: ABDPJ4360Q

**Manish Poddar**

Chief Financial Officer

PAN: AAGPP6584J

Place: Mumbai

Date: May 25, 2022



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V - Para C - Clause (10)(i) of the  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**GMM Pfaudler Limited**

Vithal Udyognagar,  
Karamsad, Gujarat – 388325, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GMM Pfaudler Limited (CIN: L29199GJ1962PLC001171), having its registered office situated at Vithal Udyognagar, Karamsad, – 388325, (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V – Para C – Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status on the portal of the Ministry of Corporate Affairs i.e. [www.mca.gov.in](http://www.mca.gov.in)) and as considered necessary and explanations furnished to us by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2022, have been debarred or disqualified from being appointed or continuing as Directors of any Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment
1.	Mr. Sivaram Swaminathan	00009900	26/06/2003
2.	Mr. Ashok Jethabhai Patel	00165858	01/01/1988
3.	Mr. Tarak Ashok Patel	00166183	30/01/2007
4.	Mr. Nakul Toshniwal	00350112	16/05/2018
5.	Mr. Harsh Gupta	02434051	01/04/2020
6.	Mrs. Bhawana Mishra	06741655	01/04/2020
7.	Mr. Vivek Bhatia	08166667	01/04/2020
8.	Mr. Malte URS Peter Woweries	09164705	28/05/2021

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Rathi & Associates**  
Company Secretaries

**Jayesh M. Shah**

Partner

M. No. FCS 5637

C.P. No. 2535

UDIN: F005637D000382101

Place: Mumbai  
Date: May 25, 2022

**TO THE MEMBERS OF**  
**GMM PFAUDLER LIMITED**

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

1. This Certificate is issued in accordance with the terms of our engagement letter dated September 27, 2021.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of GMM Pfaudler Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2022, 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, 2022.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Hardik Sutaria**  
(Partner)

(Membership No. 116642)  
UDIN: 22116642AJOBPN4827

Place: Mumbai  
Date: May 25, 2022

# Business Responsibility & Sustainability Report

GMM Pfaudler delivers corrosion-resistant technologies, systems, and services worldwide and remains the preferred choice by consistently providing its customers in the chemical and pharmaceutical industries with innovative and cost-effective solutions. We are committed to delivering quality products led by our purpose of creating value for our people, our communities and our planet. Our operational and future growth strategies put responsible Environmental, Social and Governance (ESG) principles at their core to positively impact our stakeholders. As a responsible corporate citizen, the Company is committed to ensuring sustainable development and inclusive growth and believes in the philosophy of giving back to the society that played an instrumental role in GMM Pfaudler's growth and success by offering uninterrupted support in the organization's endeavors. In keeping with the Company's commitment to responsibility and accountability towards all its stakeholders and its efforts to conduct business with responsibility, the Company is pleased to present its Business Responsibility and Sustainability Report for the FY22 prepared in accordance with SEBI Circular no. CIR/2021/562 dated May 10, 2021. 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 DISCLOSURE

### I. DETAILS OF THE LISTED ENTITY

1	Corporate Identity Number (CIN) of the Listed Entity	L29199GJ1962PLC001171
2	Name of the Listed Entity	GMM Pfaudler Limited
3	Year of incorporation	1962
4	Registered office address	Vithal Udyognagar, Anand – Sojitra Road, Karamsad, Gujarat 388 325 India
5	Corporate address	902, Vios Tower, New Cuffe Parade, Sewri-Chembur Road, Mumbai, Maharashtra, 400037 India
6	E-mail	investorservices@gmmpfaudler.com
7	Telephone	+91 22 6650 3900
8	Website	www.gmmpfaudler.com
9	Financial year for which reporting is being done	April 1, 2021 up to March 31, 2022
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange (NSE) of India Ltd. and BSE Ltd.
11	Paid-up Capital	INR 2.92 Crores
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Ms. Mittal Mehta Designation: Company Secretary Telephone No.: +91 22 6650 3900 Email Id: mittal.mehta@gmmpfaudler.com
13	Reporting boundary	The disclosures under this report are made on standalone basis.

## II. PRODUCT/SERVICES

### 14. Details of business activities:

Sl. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1	Manufacturing	Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical products	100%

### 15. Products/Services sold by the entity:

Sl. No.	Product/Service	NIC Code	% of Total Turnover contributed
1	Manufacturing of other Special Purpose Machinery	28299	97.62

## III. OPERATIONS

### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	No. of Offices	Total
National	3	8	11
International*	-	-	-

\*The international operations are carried out by the Company through its subsidiary companies and are outside the reporting boundary of this report.

### 17. Market served by the entity:

#### a. No. of Locations

Locations	Numbers
National (No. of States and Union Territories)	36
International (No. of Countries)	80+

#### b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of total turnover of the Company is 13%.

#### c. A brief on types of customers

GMM Pfaudler delivers corrosion-resistant technologies, systems and services worldwide and remains the preferred choice by consistently providing its customers in the chemical and pharmaceutical industries with innovative and cost-effective solutions.

## IV. EMPLOYEES

### 18. Details as on 31<sup>st</sup> March, 2022:

#### a. Employees and workers (including differently abled)

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1	Permanent Employees (D)	554	518	94%	36	6%
2	Other than Permanent Employees (E)	13	13	100%	0	0
3	Total Employees (D+E)	567	531	94%	36	6%

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Workers</b>						
4	Permanent (F)	189	189	100%	0	0
5	Other than Permanent (G)	74	74	100%	0	0
6	Total Workers (F+G)	263	263	100%	0	0

#### b. Differently abled employees and workers

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1	Permanent Employees (D)	2	2	100%	0	0
2	Other than Permanent Employees (E)	0	0	0	0	0
3	Total Employees (D+E)	2	2	100%	0	0
<b>Workers</b>						
4	Permanent (F)	0	0	0	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	Total Differently Abled Employees (F+G)	0	0	0	0	0

#### 19. Participation/Inclusion/Representation of women:

Sl. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	8	1	12.5%
2	Key Management Personnel*	5	1	20%

\*Note: Key Management Personnel are Managing Director, CEO, COO, CFO & Company Secretary. COO retired on March 31, 2022.

#### 20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years):

Category	FY 2021-22 (Turnover rate in current FY)			FY 2020-21 (Turnover rate in previous FY)			FY 2019-20 (Turnover rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	15%	19%	15%	7%	6%	7%	12%	11%
Permanent Workers*	2%	NA	2%	0	NA	0	2%	NA	2%

\*There are no female workers in the employment of the company during the year under review



## V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. Names of holding / subsidiary / associate companies / joint ventures :

Sl. No	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Mavag AG (Switzerland)	Subsidiary	100	No
2.	Pfaudler GmbH (Germany)	Subsidiary	54	No
3.	Pfaudler Normag Systems GmbH (Germany)	Subsidiary	54	No
4.	Pfaudler interseal GmbH (Germany)	Subsidiary	54	No
5.	Pfaudler Service BeNeLux B.V. (Netherlands)	Subsidiary	54	No
6.	Pfaudler S.r.l. (Italy)	Subsidiary	54	No
7.	Pfaudler France S.à r.l. (France)	Subsidiary	54	No
8.	GMM International S.à.r.l. (Luxembourg)	Subsidiary	54	No
9.	Pfaudler Limited (UK)	Subsidiary	54	No
10.	GMM Pfaudler US Inc. (USA)	Subsidiary	54	No
11.	Edlon Inc. (USA)	Subsidiary	54	No
12.	Glasteel Parts and Services, Inc. (USA)	Subsidiary	54	No
13.	Pfaudler S.A. de C.V. (Mexico)	Subsidiary	54	No
14.	Pfaudler Ltda. (Brazil)	Subsidiary	54	No
15.	Pfaudler Private Limited (Singapore)	Subsidiary	54	No
16.	Pfaudler (Chang Zhou) Process Equip. Co. Ltd. (China)	Subsidiary	54	No
17.	GMM Pfaudler Foundation*	Subsidiary	100	No

\* GMM Pfaudler Foundation a non-profit organization set up as a wholly-owned subsidiary of GMM Pfaudler Limited to carry out and implement the Corporate Social Responsibility (CSR) initiatives of GMM Pfaudler and its group companies.

## VI. CSR DETAILS

22 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover as on 31.03.2022 **INR 814.82 Crores**

(iii) Net worth as on 31.03.2022 **INR 444.62 Crores**

**VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES**

**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for grievance redress policy	FY 2021-22		FY 2020-21	
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Communities	<p>Company undertakes need assessments for all its new projects and impact assessment for all its medium to long term projects. During these assessments, grievances of the communities are identified with the help of third party/implementation agencies and addressed.</p> <p>The Company also deploys its local employees who regularly visit the communities and interact with people to gauge and address community concerns.</p> <p><a href="https://www.gmmpfaudler.com/index.php/file/CorporateSocialResponsibilityPolicy.pdf">https://www.gmmpfaudler.com/index.php/file/CorporateSocialResponsibilityPolicy.pdf</a></p> <p>The Company has a Board-level Stakeholders Relationship Committee ("SRC") to examine and redress complaints by shareholders.</p> <p>The status of complaints is reported to the entire Board on quarterly basis. SRC meets at least twice a year and as and when required to resolve shareholders grievances.</p> <p>The grievances received are attended within the regulatory timelines.</p> <p>The Grievance Redressal Mechanism is as per SEBI Listing Regulations.</p>	0	0	0	0
Shareholders		1	0	8	0
Employees and workers	Yes <a href="https://www.gmmpfaudler.com/index.php/file/GMMCOG.pdf">https://www.gmmpfaudler.com/index.php/file/GMMCOG.pdf</a>	0	0	0	0
Customers and other value chain partners	All the grievances received through various channels are registered and a unique complaint number is generated. The complaint is tracked and resolved in a timely matter.	547	09	425	03
				Currently all the pending complaints for the year FY22 are resolved	Currently all the pending complaints of year FY22 are resolved

**24. Overview of the entity's material responsible business conduct issues:**

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Corporate Governance	Opportunity	<p>Governance structure is a critical component of any organization which strive for excellence. A responsive and inclusive Governance structure helps the organization to be resilient and adapt to unforeseen situations. The oversight of the Governance committees on ESG factors helps an organization to be aligned and driven in right direction of sustainability.</p> <p>GMM Pfaudler's Governance Principles and the charters of the Board's standing committees establish a framework for the governance of the Board and oversight of the Company. Each committee plays a crucial role in reinforcing our commitment to conduct our business with the highest corporate standards.</p>		Positive
Occupational health and safety	Risk	<p>Managing safety and health is an inherent risk and an integral part of managing a business. Businesses need to do a risk assessment to find out about the hazards and risks in their workplace and put measures in place to effectively control them.</p>	<p>Company is further strengthening its health and safety protocol. The Company has been accredited and certified for ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health &amp; Safety Management System) for one of its manufacturing units and have aligned the other two manufacturing units to ISO 45001.</p>	Negative
Community Development	Opportunity	<p>An organization's activities and infrastructure can have significant economic, social, cultural, and/or environmental impacts on local communities.</p> <p>Engagement with local communities understanding their needs and helping in their development will result in better integration with community and smooth run of business.</p> <p>GMM Pfaudler has undertaken various projects which are centered around the needs and well-being of the community like Advancement of Rural and Social Health, Skill development, Environment sustainability initiatives and improvement of marine health.</p>		Positive

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Energy and Emissions Management	Opportunity	<p>Increasing number of regulations focused on GHG- emission management, incentives for energy efficiency and renewable energy—are promoting a transition from conventional electricity sources to alternative sources.</p> <p>All the manufacturing sites are aligned to ISO 50001 and has renewable energy portfolio of 2.8 MW (Wind + Solar). The renewable energy generated contributes to 7.2% of total electricity needs and helps organization in avoiding 2079 tCO<sub>2</sub>e in FY22. And on regular basis organization is implementing various energy saving initiatives to reduce the energy consumption and emission footprint.</p>	-	Positive
Water and Wastewater Management	Opportunity	<p>Water is a scarce resource, and its management is the activity of planning, developing, distributing, and managing it with optimum usage. Availability of water and its use has an impact on Environment and Society.</p> <p>GMM Pfaudler' s operational areas don't fall under water stress zones and they strictly follow the standards set by pollution control board. The Company installed STPs across its manufacturing facilities to treat and reuse the wastewater generated in the process, thereby reducing the impact on freshwater requirements.</p>	-	Positive
Waste Management	Risk	<p>Waste minimization coupled with reuse and recycling is important for conservation of resources. There must be efficient processes for segregation, collection, and disposal of waste. In view of growing landfills and dumpsites that further impacts air, soil and water, waste management policies have become critical as it would ensure proper reuse, recycle and disposal.</p>	<p>GMM Pfaudler have undertaken measures to reduce waste generation at every stage of the manufacturing cycle and generate minimal quantities of waste. The waste generated is sent to TSDF (Transport, Storage and Disposal Facility) for disposal to ensure compliance with all the legal requirements and without any adverse impacts on the natural environment and the Company prohibits usage of single-use, non-biodegradable plastics within our premises.</p>	Negative

**Note:** For the full list of material topics refer the ESG section of annual report.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
<b>Policy and Management Processes</b>										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes / No)					Yes				
	b. Has the policy been approved by the Board? (Yes / No)					Yes				
	c. Web Link of the Policies, if available					Refer to Note 1				
2	Whether the entity has translated the policy into procedures. (Yes / No)					Yes				
3	Do the enlisted policies extend to your value chain partners? (Yes / No)					Yes				
4	Name of the national and international codes / certifications / labels / standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	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 GRI, UNSDG, ISO 9001, ISO 14001 and ISO 45001.								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Board of Directors of the Company in the meeting held on May 25, 2022 approved and adopted 3 Year ESG Strategy and Roadmap for the Company as stated in the ESG section of this Annual Report.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Board of Directors of the Company has empowered the management for implementation of targets committed under 3 Year ESG Strategy and Roadmap.								
<b>Governance, Leadership and Oversight</b>										
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements- ESG will be the corner stone of GMM Pfaudler's long term strategy with a commitment to create value for our people, our communities and our planet. For us, ESG is more than ticking the boxes, it's about making a difference. Our mission and values guide our purpose and help us to focus on what is important, as the leading global supplier of corrosion-resistant technologies we are committed to our people, our communities and our planet. Our Board of Directors in the meeting held on May 25, 2022 has approved and adopted 3 Year ESG Strategy and Roadmap for the Company. ESG related targets and achievements are part of ESG section.									
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Ms. Mittal Mehta Designation: Company Secretary and Compliance Officer Telephone number: 022 6650 3900 E-mail id: mittal.mehta@gmmpfaudler.com								
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Name: Mr. Tarak Patel Designation: Managing Director Telephone number: 022 6650 3900 E-mail id: tarak.patel@gmmpfaudler.com								



**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action									Yes									Half yearly/ Need basis
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances									Yes									Quarterly/ Need Basis
<b>11.</b> Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	On a regular basis, the board of directors and management reviews the adherence to the stated policies in the company. In due time, it will be evaluated externally.								

**Note 1:**

Principle(s)	Applicable Policies	Link for policies
<b>Principle 1:</b> Businesses should conduct and govern themselves with Integrity, and in a manner that is Ethical, Transparent and Accountable	<ul style="list-style-type: none"> <li>Code of Conduct &amp; Ethics Policy</li> <li>Board Diversity Policy</li> <li>Anti-Corruption Policy</li> <li>Policy on Related Party Transactions</li> <li>Antitrust Guidelines</li> <li>Whistle Blower Policy</li> <li>Policy on Determination of Material Events</li> <li>Code of practices and Procedures for Fair Disclosure of UPSI</li> </ul>	<a href="https://www.gmmpfaudler.com/index.php/investors/policies-programmes">https://www.gmmpfaudler.com/index.php/investors/policies-programmes</a>
<b>Principle 2:</b> Businesses should provide goods and services in a manner that is sustainable and safe	<ul style="list-style-type: none"> <li>Export Compliance Guideline</li> <li>Environment, Social and Governance Policy</li> <li>Suppliers Code of Conduct</li> </ul>	
<b>Principle 3:</b> Businesses should respect and promote the well-being of all employees, including those in their value chains	<ul style="list-style-type: none"> <li>Anti-Sexual Harassment Policy</li> <li>Code of Conduct &amp; Ethics Policy</li> <li>Internal HR Policies for Employees</li> <li>Nomination, Remuneration &amp; Evaluation Policy</li> </ul>	
<b>Principle 4:</b> Businesses should respect the interests of and be responsive to all its stakeholders	<ul style="list-style-type: none"> <li>Corporate Social Responsibility Policy</li> <li>Code of practices and Procedures for Fair Disclosure of UPSI</li> <li>Anti-Corruption Policy</li> </ul>	
<b>Principle 5:</b> Businesses should respect and promote human rights	<ul style="list-style-type: none"> <li>Code of Conduct &amp; Ethics Policy</li> <li>Anti-Sexual Harassment Policy</li> <li>Whistle Blower Policy</li> </ul>	
<b>Principle 6:</b> Businesses should respect and make efforts to protect and restore the environment	<ul style="list-style-type: none"> <li>Environment, Social and Governance Policy</li> <li>Suppliers Code of Conduct</li> </ul>	
<b>Principle 7:</b> Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	<ul style="list-style-type: none"> <li>Code of Conduct &amp; Ethics Policy</li> <li>Communication Policy</li> </ul>	
<b>Principle 8:</b> Businesses should promote inclusive growth and equitable development	<ul style="list-style-type: none"> <li>Corporate Social Responsibility Policy</li> <li>Environment, Social and Governance Policy</li> </ul>	
<b>Principle 9:</b> Businesses should engage with and provide value to their consumers in a responsible manner	<ul style="list-style-type: none"> <li>Code of Conduct &amp; Ethics Policy</li> <li>Export Compliance Guideline</li> </ul>	

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1:** Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

### ESSENTIAL INDICATORS

**1. Percentage coverage b/y training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors (BOD) and Key Managerial Personnel (KMPs)	5 (Including 4 as part of board Meetings)	All	100
Employees other than BODs and KMPs	150	All	90+ of intended target audience

Note: i) Health and Safety related training and awareness sessions are being conducted and provided to the workers at regular intervals.

ii) All the principles laid down in BRSR are covered by GMM Pfaudler's mandatory trainings and GMM Pfaudler's Code of Conduct and Ethics Policy, which is adhered to by all employees.

**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.**

During the financial year 2021-22, there were no instances of any material (monetary and nonmonetary) fines/penalties/punishment/award/ compounding fees/settlement amount paid in proceedings (by the entity or by directors/ KMPs) levied by the regulators/law enforcement agencies/ judicial institutions.

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Not Applicable

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the entity has an Anti-Corruption Policy. The policy is available on the Company's website at <https://www.gmmpfaudler.com/index.php/file/Anti-Corruption-Policy.pdf>. GMM Pfaudler Anti-Corruption policy emphasizes the Company's zero tolerance approach to bribery and corruption. GMM Pfaudler is committed to conduct all its business activities with honesty, integrity and the highest possible ethical standards and vigorously enforces its ethical business practices wherever it operates throughout the world, of discouraging and not engaging in any kind of bribery, corruption, or unethical practice.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

There were no instances of any disciplinary action taken by any law enforcement agency for the charges of bribery/ corruption against Directors/ KMPs/employees/workers.

**6. Details of complaints with regard to conflict of interest:**

There were no complaints with regards to conflict of interest

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

**PRINCIPLE 2:** Businesses should provide goods and services in a manner that is sustainable and safe

### ESSENTIAL INDICATORS

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Type	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Research & Development (R&D)	100% (4.28 crores)	100% (5.35 crores)
Capital Expenditure (CAPEX)	-	-

**2.a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, GMM Pfaudler's supplier code of conduct clearly states that Suppliers shall use natural resources (e.g. water, sources of energy, raw materials) in an economical way and preserve them. To ensure the conservation of renewable natural resources, suppliers shall promote the application of broadly recognized sustainability standards and certifications that have been developed by multiple stakeholders. Negative impacts on the environment and climate caused by the suppliers or in their supply chain shall be minimized or eliminated at their source. Suppliers shall engage in the development and use of environmentally and climate-friendly products, processes and technologies. Suppliers shall ensure the safe and compliant handling, storage, transportation, disposal, recycling, reuse and management of waste, air emissions and wastewater discharges. The policy also supports the creation of local vendors and encourage local sourcing. The Company focuses on procurement of materials from local suppliers and MSME players. It has implemented various sustainable supply chain practices and initiatives and at the same time ensures timely and cost-effective deliveries for necessary resources.

**b. If yes, what percentage of inputs were sourced sustainably?**

The company did not calculate this data for the financial year 2021-22. This data will be available from the next financial year.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Given the nature of our business, the products we manufacture has a life of 10-15 years. After the end of the life the customer may give the metal & glass scrap to the authorized recycler. From a broader perspective the end-of-life related waste from our products will be recycled and then used as raw material for other processes or products.

The Company's manufactures capital equipment, which does not lend itself to recycling. However, the Company offers reconditioning service to ensure that the equipment works smoothly during the life of the equipment. All waste that has no commercial value is disposed of through agencies authorized by the State and Central Pollution Control Boards. The steel scrap is sold to dealers who in turn further process the scrap for steel manufacture. Water used for hydro-testing is recycled and stored in large tanks. The Sewage from the plant is treated in Sewage Treatment Plants and the water from the plants is used for gardening. The Sewage Treatment Plant (STP) has been installed in the Factory, which purifies 80,000 liters of water and is then used for maintaining 5,000 sq. mtrs. greenfield area. This STP is tested by the Gujarat State Pollution Control Board (GPCB) on a monthly basis. During the year, the Company has installed two Rainwater Harvesting Wells having the capacity of 40 KL & 65 KL to improve ground water level. Single use and non-biodegradable plastic are banned within the premises. The Company hands over its waste to a Common Transport Storage and Disposal Facility to ensure waste disposal is in accordance with the GPCB guidelines. Hence, the Company has been strictly following the guidelines stipulated under the Pollution Control Act and alert about the proper disposal of industrial waste without harming the environment and people.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

This is not applicable to the Company.

**PRINCIPLE 3** Businesses should respect and promote the well-being of all employees, including those in their value chains

### ESSENTIAL INDICATORS

#### 1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by							
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)
<b>Permanent Employees</b>									
Male	518	518	100%	518	100%	-	-	518	100%
Female	36	36	100%	36	100%	36	100%	-	-
<b>Total</b>	<b>554</b>	<b>554</b>	<b>100%</b>	<b>554</b>	<b>100%</b>	<b>36</b>	<b>6%</b>	<b>518</b>	<b>94%</b>
<b>Other than Permanent Employees</b>									
Male	13	0	0%	13	100%	-	-	-	-
Female	0	-	-	-	-	-	-	-	-
<b>Total</b>	<b>13</b>	<b>0</b>	<b>0%</b>	<b>13</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes:** Vendors and contractors are required to adhere to the statutory compliances as per applicable laws and rules thereunder.

#### b. Details of measures for the well-being of workers:

Category	Total (A)	% of Workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
<b>Permanent Workers</b>											
Male	189	189	100%	189	100%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>189</b>	<b>189</b>	<b>100%</b>	<b>189</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other than Permanent Workers</b>											
Male	74	0	0	74	100%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>74</b>	<b>0</b>	<b>0</b>	<b>74</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note:** There are no female workers during the Financial Year 2021-22.

#### 2. Details of retirement benefits, for Current FY and Previous Financial Year:

Sr. No.	Benefits	FY 2021-22 (Current FY)			FY 2020-21 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	97.71	73.4	Y	94.67	73.60	Y
2	Gratuity	97.71	71.5	Y	94.67	72.00	Y
3	ESI	0.71	6.08	Y	0.85	4.80	Y

**Note:** 100% of eligible employees are covered to avail the retirement benefits like PF, Gratuity, ESI etc.

**3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, most of our workplace are accessible to differently abled employees and workers. Infrastructure at the gate and office entrance are facilitated with even surfaces like ramps for ease of accessibility to the disabled employees.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, Company's Code Of Conduct and Ethics Policy (<https://www.gmmpfaudler.com/index.php/file/GMMCOC.pdf>) encourages in creation of a working atmosphere free from any form of discrimination on the basis of color, race, creed, national or ethnic origin, sex, sexual orientation, religion, marital status, veteran status, citizenship status, physical or mental disability, age or any other status protected by applicable law.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Permanent Employees		
Gender	Return to work rate	Retention rate
Male	100%	75%
Female	100%	66.70%
<b>Total</b>	<b>100%</b>	<b>73.30%</b>

**Note:**

- i) No male workers applied for paternity leave.
- ii) There are no female workers during the Financial Year 2021-22.

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Category	Yes/No
Permanent Workers	
Other than Permanent Workers	Yes
Permanent Employees	
Other than Permanent Employees	

The Company is committed to providing a safe and conducive work environment to all of its employees and workers. GMM Pfaudler encourages employees to seek guidance and/or to report concerns to their direct manager or supervisor and the Human Resources Manager. The Company has "Whistle Blower Policy" for employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The Company believes that all employees of the Company have the right to be treated with dignity. The Company has "zero tolerance" to any form of Sexual Harassment at the Workplace. The Company responds promptly to any complaints of Sexual Harassment and take appropriate steps to discipline behaviour that violates "Anti-Sexual Harassment Policy". The Company has set up an Internal Committee to redress any such complaints received. The Company periodically conducts sessions and workshops for employees across the organization to build awareness about this Policy.

For workers the Company has a grievance redressal mechanism as per factories act, where the workers can raise concerns to the welfare officer who will be responsible for channeling the grievances to the responsible management teams for resolution and getting back to the complainant with solutions.



**7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	FY 2021-22 (Current FY)			FY 2020-21 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
<b>Permanent Employees</b>						
Male	107	88	82%	83	81	98%
Female	3	2	67%	4	4	100%
<b>Total</b>	<b>110</b>	<b>90</b>	<b>82%</b>	<b>87</b>	<b>85</b>	<b>98%</b>
<b>Permanent Workers</b>						
Male	189	144	76%	180	150	83%
Female	0	-	-	0	-	-
<b>Total</b>	<b>189</b>	<b>144</b>	<b>76%</b>	<b>180</b>	<b>150</b>	<b>83%</b>

**8. Details of training given to employees and workers:**
**a. Details of Skill training given to employees and workers.**

Category	FY 2021-22 (Current FY)			FY 2020-21 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received Skill Training (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received Skill Training (D)	%(D/C)
<b>Permanent Employees</b>						
Male	518	162	31%	408	158	39%
Female	36	14	39%	36	6	17%
<b>Total</b>	<b>554</b>	<b>176</b>	<b>32%</b>	<b>444</b>	<b>164</b>	<b>37%</b>
<b>Permanent Workers</b>						
Male	189	189	100%	180	180	100%
Female	-	-	-	-	-	-
<b>Total</b>	<b>189</b>	<b>189</b>	<b>100%</b>	<b>180</b>	<b>180</b>	<b>100%</b>

**b. Details of training on Health and Safety given to employees and workers.**

Category	FY 2021-22 (Current FY)			FY 2020-21 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received training on Health and Safety (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received training on Health and Safety (D)	%(D/C)
<b>Permanent Employees</b>						
Male	518	518	100%	408	408	100%
Female	36	36	100%	36	36	100%
<b>Total</b>	<b>554</b>	<b>554</b>	<b>100%</b>	<b>444</b>	<b>444</b>	<b>100%</b>
<b>Permanent Workers</b>						
Male	189	189	100%	180	180	100%
Female	-	-	-	-	-	-
<b>Total</b>	<b>189</b>	<b>189</b>	<b>100%</b>	<b>180</b>	<b>180</b>	<b>100%</b>

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2021-22 (Current FY)			FY 2020-21 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
<b>Permanent Employees</b>						
Male	411	335	82%	325	270	83%
Female	33	30	91%	32	23	72%
<b>Total</b>	<b>444</b>	<b>365</b>	<b>82%</b>	<b>357</b>	<b>293</b>	<b>82%</b>

## 10. Health and safety management system:

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No), If yes, What is the coverage of such system?

Yes, occupational health and safety management system has been implemented by the entity in all the manufacturing facility. The Company's health and safety management system is based on ISO 45001, the International Standard for Occupational Health and Safety. All our manufacturing sites are aligned to ISO 45001 safety management system. Our Karamsad manufacturing unit is ISO 45001 certified and whereas Hyderabad and Vatva facility are undergoing the certification process.

### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard Identification and Risk Assessment (HIRA) procedure established; SOPs are in place to smoothly implement the HIRA system. All the information is recorded and monitored on a regular basis.

### c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)

Yes

### d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

## 11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2021-2022	FY 2020-2021
		Current Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	1	-
	Workers	11	9
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

## 12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Occupational Health and Safety has been a major focus area for GMM Pfaunder. The Health, safety and Environment policy is implemented at all the locations. The company maintains a healthy and harmonious industrial relation across manufacturing plants with all employees (including contract employees) and provides a safe workplace environment and imparts safety trainings and learnings to all employees on regular basis. A defined framework is in place to explain the existing manuals, covering safety and machine handling aspects at all plant sites to the employees.

GMM Pfaunder also provides occupational health services' functions to ensure the workers' well-being. Occupational health centres, Ambulance services, first aid boxes, trained first aiders, and firefighters are

some of the services. New hires are subjected to pre-employment health check-ups, whereas periodic health camps are conducted for all internal stakeholders. Mock drills are also conducted to explain the execution of activities during emergencies.

During the reporting year GMM Pfaudler carried following activities at its manufacturing locations to ensure safe and healthy workplace culture

- PPE assessment conducted and all required PPE provided to the respective personal.
- Hazard Identification and Risk Assessment been carried out.
- Safety Committees were formed (Staff + Worker).
- Regular safety talks at Shop Floor.
- Safety Observation Plant round.
- All the grinding machines are shielded with guards to mitigate the risks involved.
- Ambulance Facility provided for medical emergency

**13. Number of Complaints on the following made by employees and workers:-**

There were no complaints received from employees and workers during the current and previous financial years on working conditions and Health & Safety

**14. Assessments for the year:**

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

No significant risks / concerns of health & safety practices and working conditions has been identified from the assessments hence no corrective action is required.

**PRINCIPLE 4:** Businesses should respect the interests of and be responsive to all its stakeholders

**ESSENTIAL INDICATORS**

**1. Describe the processes for identifying key stakeholder groups of the entity:**

Any individual or group of individuals or institution that adds value to the organization and has the ability to impact or get impacted by the business activities are defined as Stakeholders for the organization. This inter alia includes customers, employees, shareholders, investors, suppliers, local communities, other industrial bodies and regulatory authorities amongst others.

GMM Pfaudler engages with a broad spectrum of stakeholders, to deepen its insights into their needs and expectations, and to develop sustainable strategies for the short, medium and long term. Stakeholder engagement also helps to manage risks and opportunities in business operations. Through regular interactions with our stakeholders across various channels, we have been able to strengthen our relationships and enhance our organisational strategy.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	One-to-one interactions and meetings for projects, relationship meetings, Customer satisfaction surveys, Helpline numbers and grievance recording mechanism; customer visits, responses to Request for Information (RFI) / Request for Proposal (RFP), sponsored events, mailers, newsletters, brochures, website, social media, events and exhibitions	<b>Continuous:</b> GMM Pfaudler's website social media (LinkedIn, Twitter, YouTube) sponsored events, mailers, newsletters, brochures <b>Half-yearly:</b> Relationship meetings, Customer satisfaction surveys, customer visits <b>Annual:</b> Events and Exhibitions	<ul style="list-style-type: none"> <li>Product Stewardship</li> <li>Product quality and safety</li> <li>Customer data privacy</li> <li>New Products</li> <li>Feedback</li> </ul>
Employees	No	Induction programs, E-mails, newsletters Employee portal, HR helpdesk, Engagement initiatives and Townhalls, Rewards & Recognition programs and survey, Leadership development meetings/ programmes	<b>Continuous:</b> Website, Employee portal, HR helpdesk, Rewards & Recognition programs and satisfactions survey, Webinars and awareness sessions <b>Quarterly:</b> GMM Pfaudler's Newsletter <b>Annual:</b> Townhalls	<ul style="list-style-type: none"> <li>Performance appraisal and rewards</li> <li>Learning and development programmes</li> <li>Transparency in business</li> <li>Compliance with safety norms</li> <li>Focus on ESG aspects</li> <li>Diversity &amp; Inclusion</li> <li>Code of Conduct &amp; Human Rights</li> <li>Career Management and Growth Prospects</li> </ul>
Investors & Shareholders	No	Website, newspapers, press releases, emails, quarterly conference call, analyst & investor Meeting, general meeting, social media, manufacturing facility visits	<b>Continuous:</b> Investors page on the GMM Pfaudler's website, social media (LinkedIn, Twitter, YouTube) <b>Quarterly:</b> Financial statements earnings call, press conferences, investor calls <b>Annual:</b> Annual General Meeting, Annual Report	<ul style="list-style-type: none"> <li>Financial and non-financial performance</li> <li>Robust strategy for business growth</li> <li>Long-term business value</li> <li>Ethical Behavior and Fair Business Practices</li> <li>Understanding shareholders expectations</li> </ul>
Suppliers	No	Site visits and inspection, meetings/calls, Vendor capability assessment, Vendor performance assessment	<b>Quarterly:</b> Meetings/calls, <b>Half-yearly:</b> Assessments, Site visits and inspections	<ul style="list-style-type: none"> <li>Responsible Sourcing</li> <li>On time performance</li> <li>Ethical behavior/Fair business practices</li> <li>Sustainability</li> </ul>
Community	Yes	CSR events and programs (Now through GMM Pfaudler Foundation)	<b>Quarterly:</b> Project Progress <b>Annual:</b> Review	<ul style="list-style-type: none"> <li>Progress on CSR projects</li> <li>Need Assessments</li> <li>Impact Assessments</li> </ul>
Industry bodies, Regulators	No	Email, one-on-one meetings, Conference meetings Periodic Fillings	Need based	Discussions with regard to various regulations and amendments, inspections, approvals

**PRINCIPLE 5:** Businesses should respect and promote human rights

### ESSENTIAL INDICATORS

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2021-22 Current Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)
Permanent Employees	554	416	75.09
Other than permanent Employees	13	10	76.92
Total Employees	567	426	75.13

**Note:** The trainings on human rights are a part of the Code of Conduct and recorded data is available for the financial year 2021-22 only.

**2. Details of minimum wages paid to employees and workers, in the following format:**

The Company is providing more than the statutorily required minimum wages to all its employees and workers whether permanent or temporary and ensures equal remuneration for equal work.

**3. Details of remuneration/salary/wages, in the following format:**

(In crores)

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)				
Executive Directors	1	10.08	0	-
Non-Executive Directors	6	0.09	1	0.11
Key Managerial Personnel*	3	1.27	1	0.38
Employees other than BoD and KMP	515	0.07	35	0.09
Workers	189	0.04	-	-

**Note:**

1) KMP excludes Managing Director 2) Since the remuneration of the CEO (KMP) is only for the part of the year, it doesn't form part of the above calculation.

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes. The General Manager – HR & Admin is responsible for addressing any human right issues caused or contributed by the business.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Grievance Redressal mechanisms are in place for receiving and addressing complaints and feedback related to human rights violations and other aspects of the Code of Conduct. Reporting avenues have been provided for employees, customers, suppliers and other stakeholders to raise concerns or make disclosures when they become aware of any actual or potential violation of the Company's Code of Conduct including human rights violation. Representations made in the reporting avenues are reviewed and appropriate action is taken on substantiated violations.

**6. Number of Complaints on sexual harassment, discrimination at workplace, child labour, forced labour, wages and other human rights related issues made by employees and workers:**

There were no complaints made by employees during current and previous financial years on sexual harassment, discrimination at workplace, child labour, forced labour, wages and other human rights related issues

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company does not tolerate any harassment, intimidation, or retaliation of any kind towards the complainant reporting in good faith or against any other person acting as bonafide witness / whistle blower. Anyone involved in targeting such persons will be subject to disciplinary action. Concerns on discrimination and harassment are dealt confidentially.



**8. Do human rights requirements form part of your business agreements and contracts?**

(Yes/No)

Yes, all relevant business agreements and contracts contains affirmation on the compliance of Code of Conduct and Ethics policy which include human rights.

**9. Assessments for the year:**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labor	GMM Pfadler internally monitors compliance for all relevant laws and policies pertaining to these issues. There have been no observations by local statutory / third parties in India in FY 2022.
Forced/involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not Applicable

**PRINCIPLE 6:** Businesses should respect and make efforts to protect and restore the environment

**ESSENTIAL INDICATORS**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

(In Giga Joules)

Parameter	<b>FY 2021-22 (Current Financial Year)</b>	<b>FY 2020-21 (Previous Financial Year)</b>
Total electricity consumption (A)	1,31,024.29	92,231.26
Total fuel consumption (B)	1,56,685.21	1,29,892.04
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	2,87,709.51	2,22,123.29
Energy intensity per rupee of turnover (Total energy consumption/ turnover in INR Crore) (GJ per INR Crore)	353.10	346.63

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not applicable

**3. Provide details of the following disclosures related to water, in the following format:**

(in kilolitres)

Parameter	<b>FY 2021-22 (Current Financial Year)</b>	<b>FY 2020-21 (Previous Financial Year)</b>
Water withdrawal by source		
(i) Surface water	-	-
(ii) Groundwater	14,735	11,910
(iii) Third party water	15,811	120
(iv) Seawater / desalinated water	-	-
(v) Others (Rainwater storage)	-	-
<b>Total volume of water withdrawal (i + ii + iii + iv + v)</b>	<b>30,546</b>	<b>12,030</b>
<b>Total volume of water consumption</b>	<b>30,546</b>	<b>12,030</b>
Water intensity per rupee of turnover (Water consumed / turnover) (kl per crore INR of revenue)	37.49	18.77

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

The Company through various schemes and initiative optimize consumption and reduce resultant wastewater. Our operations generate wastewater as part of the manufacturing processes and we have structured policies and measures to responsibly treat and recycle wastewater for reuse. We require significant amount of water during the hydrotesting process, which is essential to check the quality of our products. This water is stored in large tanks and reused during multiple testing cycles. Furthermore, the water, which cannot be used further is sent to our in-house Sewage Treatment Plant (STP) for treatment. The treated water from STP is utilized for maintenance of the Greenfield area within our plant's premises in Karamsad.

The Company is in the process of implementing Zero Liquid Discharge across all the manufacturing facilities.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Unit	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
NOx	mg/Nm <sup>3</sup>	3.47	3.34
SOx	mg/Nm <sup>3</sup>	4.39	4.17
Particulate matter (PM)	mg/Nm <sup>3</sup>	35.44	43.24
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format :**

Parameter	Unit	FY2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	9,035.1	7,407.5
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	26,673.1	18,385.5
Total Scope 1+ Scope 2 Emissions	tCO <sub>2</sub> e	35,708	25,793
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO <sub>2</sub> e	43.82	40.25

**7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide detail**

Yes, to bring about an effective reduction in its electricity consumption and emissions, the Company constantly endeavors to reduce its carbon footprints through advancement in the areas of clean technology, energy efficiency and renewable energy. Additionally, The Company has taken "Low Carbon and Climate resilient operation" as one of its focus areas under its 3 Year Strategy and Roadmap. Kindly refer ESG section of this Annual Report for more details.

- Company installed 1 MW Roof Top Solar Plant with grid connectivity in in December 2019 at Karamsad, Gujarat. Total generated Power was about 1250026 KWH for the year ended March 31, 2022 helped in avoiding 988 tCO<sub>2</sub>e.
- Company owns and maintains windmills with a total generating capacity of 1.8 MW. The windmills generated about 1382141 KWH for the year ended March 31, 2022 helped in avoiding 1092 tCO<sub>2</sub>e.
- Replaced inverter-based welding machines with updated technology machines, that will save 25200kWh and 20 tCO<sub>2</sub>e annually.
- Replaced the Wet and Fuji grinders with updated technologies will result is saving 14000 kWh and 11 tCO<sub>2</sub>e annually
- 18 old Pneumatic Air Grinder replaced by new model of energy efficient grinders which saved 14553 KWH/Annum.

**8. Provide details related to waste management by the entity, in the following format:**

(in metric tonnes)

Parameter	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Total Waste generated		
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	0.04	0.001
Construction and demolition waste (D)	94	685
Battery waste (E)	1.3	0.35
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	0.29	3
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	2305	1563
<b>Total (A+B + C + D + E + F + G+ H)</b>	<b>2400.63</b>	<b>2251.35</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations</b>		
<b>Category of waste</b>		
(i) Recycled	2306.3	1566
(ii) Re-used	94.17	685.27
(iii) Other recovery operations	-	-
<b>Total</b>	<b>2400.47</b>	<b>2251.27</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method</b>		
<b>Category of waste</b>		
(i) Incineration	0.004	0.001
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	<b>0.004</b>	<b>0.001</b>

**Note:** Details on Waste has been provided only for Karamsad manufacturing facility. Compiling of data of the other 2 manufacturing unit is under process and will be reported from next year.

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

We have undertaken measures to reduce waste generation at every stage of the manufacturing cycle and generate minimal quantities of waste. This waste is sent to a facility, which is a Common TSDF (Transport, Storage and Disposal Facility) for disposal to ensure compliance with all the legal requirements and without any adverse impacts on the natural environment. SOPs are prepared for waste management as a part of our ISO 14001 certification. No hazardous or toxic chemicals are used in our product development

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Not Applicable

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Not Applicable

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, the organization is in compliance with all the Environment related laws/regulations/guidelines. During the year, the Emissions/Waste generated by the Company was within the limits prescribed by State Pollution Control Board (SPCB) and a certification to that effect is being obtained on a periodical basis as per guidelines of SPCB.

**PRINCIPLE 7:** Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

**ESSENTIAL INDICATORS**

1. a) Number of affiliations with trade and industry chambers/ associations.  
The Company is a member of 6 (six) trade and industry chambers/ associations.
- b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	The Bombay Chamber of Commerce & Industry (BCCI)	State
2	The Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3	The Confederation of Indian Industry (CII)	National
4	Indian Chemical Council (ICC)	National
5	Process Plant & Machinery Association of India (PPMAI)	National
6	Indian American Chamber of Commerce (IACC)	National

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities**

During the reporting period, the company received no notices for anti-competitive, antitrust, conflict of interest, or monopolistic practices from regulatory authorities hence no corrective action was required to be taken.

**PRINCIPLE 8:** Businesses should promote inclusive growth and equitable development.

**ESSENTIAL INDICATORS**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

As per law, the entity is not required to conduct any Social Impact Assessments in the current financial year. However the company has carried out social impact assessment of its CSR projects namely Project SPARSH and JVP ITI on a voluntary basis. Details of the Impact Assessment is provided in the ESG Section of the Annual Report.

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

Not Applicable

**3. Describe the mechanisms to receive and redress grievances of the community-**

All agreements between GMM Pfaudler and the stakeholders, contain clauses on handling of grievances, disputes etc. Additionally, the Company also deploys its local employees who regularly visit the communities and interact with people to gauge and address community concerns.

**4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:**

The nature of Company's business is such that the sourcing must 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.

	FY 2021-2022 Current Financial Year	FY 2020-2021 Previous Financial Year
Directly sourced from MSMEs/ Small producers	8.5%	6.6%
Sourced directly from within the district and neighboring districts	31.8%	32.4%

**PRINCIPLE 9:** Businesses should engage with and provide value to their consumers in responsible manner

### ESSENTIAL INDICATORS

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company treats customer complaints with utmost importance and believe that it should be redressed promptly and effectively. GMM Pfaudler's customers have multiple mechanism to report complaints or provide feedback. All the grievances received through various channels are registered and a unique complaint number is generated and an acknowledgement email is sent immediately to the customer with an intimation that their complaint has been taken on record. The complaint is tracked and resolved in a timely manner. The Company also has a toll-free number where customer can call and register their complaint. Complaints are assigned to respective Service Managers depending on the category of the complaint. The Company confirms to the globally recognized standards - ISO 9000 (Quality Management)

The team works closely with the management and various vertical teams and provides regular feedback on process, policies and people related complaints. This leads to improvements and ensures complaints are reduced.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information.**

All the information related to Environment and Social parameters relevant to product, Safe and responsible usage and Recycling and/or safe disposal are mentioned in the manual sent along with the product.

**3. Number of consumer complaints during current and previous financial years regarding data privacy, advertising, cyber security, delivery of essential services, restrictive trade practices and unfair trade practices**

No consumer complaints were received during current and previous financial years regarding data privacy, advertising, cyber security, delivery of essential services, restrictive trade practices and unfair trade practices

**4. Details of instances of product recalls on account of safety issues**

There were no instances of product recalls on account of safety issues during the financial year 2021-22

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy?**

Yes. The Company has in place Cyber Security Policy and Data Privacy Policy to ensure sufficient safeguards are in place to prevent any data leakage The company has a well-institutionalised information security management system based on internationally recognised standards and best practices and is continuously improving its cybersecurity posture to safeguard from emerging cyber threats to its business. For further details please refer to the "Internal Control Systems & their Adequacy" in the Management Discussion & Analysis.

The policy is available to internal stakeholders and is placed on the intranet of the Company.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

During the reporting period, no issues were raised related to advertising, and delivery of essential services; cyber security and data privacy of customers; instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services hence no corrective action was required to be taken.



# Independent Auditor's Report

## To The Members of GMM Pfaudler Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of GMM Pfaudler Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, 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.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue recognition on long-term contracts</p> <p>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.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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 on sample basis and re performing the percentage of completion calculation.</li> <li>We challenged management in respect of the reasonableness of estimates made regarding the cost to complete contract and the timing of recognition of change orders.</li> <li>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.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including annexures to Board's report, Corporate Governance but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance

of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate

internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us,

the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts and the Company did not have any derivative contracts for which there were any material 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.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Company during the year and until the date of

this report is in compliance with Section 123 of the Act.

As stated in Note 47 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

- 2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Hardik Sutaria**  
Partner  
(Membership No. 116642)  
UDIN: 22116642AJOAZW8968

Place: Mumbai

Date: May 25, 2022



# 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 Pfadler Limited ("the Company") as of March 31, 2022 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, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Hardik Sutaria**

Partner

(Membership No. 116642)

UDIN: 22116642AJQAZW8968

Place: Mumbai

Date: May 25, 2022

## 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)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (including non-current assets classified as held for sale), Capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment (including non-current assets classified as held for sale), Capital work-in-progress and right-of-use assets, so to cover all the items once every three 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 Property, Plant and Equipment and Capital work-in-progress were due for verification during the year and 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) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties of land and buildings (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and non-current assets held for sale, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders.
- (d) The Company has not revalued any of its property, plant and equipment (including Non-current assets classified as held for sale and Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit and stocks held with third parties were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the yearend. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters ended June 30, 2021, September 30, 2021 and December 31, 2021 and no material discrepancies have been observed. The Company is yet to submit the return or statement for the quarter ended March 31, 2022 with the banks.

(iii) The Company has made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

(a) (A) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to subsidiaries, Joint ventures and Associates.

(B) The Company has provided loans to employees during the year and details are given below:

Particulars	(₹ in crore)
	Loans
A. Aggregate amount granted / provided during the year- Others	0.20
B. Balance outstanding as at balance sheet date- Others	0.12

The Company has not provided any advances in the nature of loans, stood guarantee or provided security to any other entity during the year.

(b) The investments made and the terms and conditions of the grant of the above-mentioned loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts of principal amounts and interest have been regular as per stipulations.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either

repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(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 books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Professional Tax cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of Provident Fund and Employees' State Insurance dues.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employee's State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount Involved (₹ in crore)	Amount Unpaid (₹ in crore)	Period to which the Amount Relates	Forum where Dispute is pending
Income Tax Act, 1961	Income Tax	3.64	3.64	AY 2010-11, 2011-12, 2012-13	Income Tax Appellate Tribunal, Ahmedabad
Income Tax Act, 1961	Income Tax	0.78	0.78	AY 2010-11, 2013-14, 2017-18	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.08	1.08	AY 2007-08, AY 2008-09	The Assessing Officer (AO)
Central Sales Tax Act, 1956	Sales Tax	0.39	0.24	FY 2006-07, 2007-08, 2008-09	Central Excise & Service Tax Tribunal
Finance Act, 1994	Service Tax	0.20	0.09	FY 2008-09, 2009-10, 2012-13	Central Excise & Service Tax Tribunal
Finance Act, 1994	Service Tax	0.11	0.02	FY 2011-12, 2013-14	The Commissioner (Appeals)

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company has not made any investment in or given any new loan or advances to any of its subsidiaries, associates or joint ventures during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).



- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 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) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.  
(b) We have considered, the internal audit reports issued to the Company during the year and till date, for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company, subsidiary company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.  
(b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Hardik Sutaria**  
Partner

(Membership No. 116642)  
UDIN: 22116642AJQAZW8968

Place: Mumbai

Date: May 25, 2022

# Standalone Balance Sheet

as at March 31, 2022

(₹ in Crore)

Particulars	Note	As at 31.03.2022	As at 31.03.2021
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant & equipment	6	152.33	129.46
(b) Right of use assets	7	50.31	15.28
(c) Capital work-in-progress	8 (A)	10.42	2.61
(d) Goodwill		5.93	5.93
(e) Intangible assets	9	18.66	26.06
(f) Intangible assets under development	8 (B)	-	0.03
<b>(g) Financial assets</b>			
(i) Investments	10	171.26	171.24
(ii) Others	12	4.44	2.96
(h) Non-current tax assets (net)	13	0.42	-
(i) Other non-current assets	14	1.19	7.12
		<b>414.96</b>	<b>360.69</b>
<b>(2) Current Assets</b>			
(a) Inventories	15	230.60	112.65
<b>(b) Financial assets</b>			
(i) Investments	10	0.08	0.67
(ii) Trade receivables	16	121.01	113.00
(iii) Cash & cash equivalents	17	14.74	28.68
(iv) Bank balances other than (iii) above	17	0.60	3.14
(v) Loans	11	0.12	0.08
(vi) Others	12	52.42	35.24
(c) Other current assets	14	30.06	13.52
Assets classified as held for sale	6	5.08	-
		<b>454.71</b>	<b>306.98</b>
<b>Total Assets</b>		<b>869.67</b>	<b>667.67</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	18	2.92	2.92
(b) Other equity	19	441.70	354.43
		<b>444.62</b>	<b>357.35</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	20	100.62	75.20
(ii) Lease liabilities	21	5.23	11.75
(b) Provisions	26	-	0.35
(c) Deferred tax liabilities (net)	22	4.51	4.52
		<b>110.36</b>	<b>91.82</b>
<b>(2) Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowing	20	27.25	30.16
(ii) Lease liabilities	21	6.74	5.47
<b>(iii) Trade payables due to</b>			
- Micro & small enterprises	23	2.70	4.41
- Other than Micro & small enterprise	23	156.13	88.67
(iv) Others	24	18.41	18.68
(b) Other current liabilities	25	96.30	58.97
(c) Provisions	26	7.16	7.11
(d) Current tax liabilities (net)	13	-	5.03
		<b>314.69</b>	<b>218.50</b>
<b>Total Equity &amp; Liabilities</b>		<b>869.67</b>	<b>667.67</b>

The accompanying notes are an integral part of these financial statements

As per our report of even date annexed

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Hardik Sutaria**  
Partner

Mumbai  
Date: May 25, 2022

For and on behalf of the Board of Directors of GMM Pfadler Limited

**Dr. S. Sivaram**  
Chairman  
DIN: 00009900  
Mumbai, May 25, 2022

**Manish Poddar**  
Chief Financial Officer  
FCA 098238  
Mumbai, May 25, 2022

**Tarak Patel**  
Managing Director  
DIN: 00166183  
Mumbai, May 25, 2022

**Mittal Mehta**  
Company Secretary  
FCS 7848  
Mumbai, May 25, 2022

## Standalone Statement of Profit & Loss

for the year ended March 31, 2022

(₹ in Crore)

Particulars	Note	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Income:</b>			
Revenue from operations	27	814.82	640.81
Other income	28	3.76	7.89
<b>Total income</b>		<b>818.58</b>	<b>648.70</b>
<b>Expenses:</b>			
Cost of materials consumed	29	402.12	263.71
Changes in inventories of finished goods and work in progress	30	(41.11)	10.32
Employee benefits expense	31	86.55	69.90
Finance cost	32	15.00	6.66
Depreciation and amortisation expense	6, 7 & 9	33.57	28.95
Labour charges		58.86	41.88
Other expenses	33	136.57	101.38
<b>Total expense</b>		<b>691.56</b>	<b>522.80</b>
<b>Profit before tax</b>		<b>127.02</b>	<b>125.90</b>
<b>Tax expenses:</b>			
Current tax		32.65	32.65
Excess provision for tax relating to prior years		(0.58)	(1.39)
Deferred tax		(0.01)	(0.46)
		<b>32.06</b>	<b>30.80</b>
<b>Profit for the year</b>		<b>94.96</b>	<b>95.10</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
Actuarial gain / (loss) on gratuity and pension obligations		(0.87)	(1.52)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
		-	-
<b>Total other comprehensive income (i-ii)</b>		<b>(0.87)</b>	<b>(1.52)</b>
<b>Total comprehensive income for the year</b>		<b>94.09</b>	<b>93.58</b>
<b>Earnings per equity share :</b>			
	43		
Basic		64.96	65.06
Diluted		64.95	65.06
<b>Basis of preparation, measurement and significant accounting policies</b>	3, 4 & 5		

As per our report of even date annexed

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Hardik Sutaria**  
Partner

Mumbai  
Date: May 25, 2022

For and on behalf of the Board of Directors of GMM Pfaudler Limited

**Dr. S. Sivaram**  
Chairman  
DIN: 00009900  
Mumbai, May 25, 2022

**Manish Poddar**  
Chief Financial Officer  
FCA 098238  
Mumbai, May 25, 2022

**Tarak Patel**  
Managing Director  
DIN: 00166183  
Mumbai, May 25, 2022

**Mittal Mehta**  
Company Secretary  
FCS 7848  
Mumbai, May 25, 2022

# Standalone Statement of Cash Flow

for the year ended March 31, 2022

(₹ in Crore)

Particulars	Note	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Profit before taxation</b>		127.02	125.90
<b>Adjustments for :</b>			
Depreciation and amortisation expenses		33.57	28.95
Net (gain)/loss on disposal of property, plant & equipment		0.02	(0.31)
Net loss on current investments designated as fair value through profit or loss		0.14	0.03
Net loss on sale of current investments		-	0.09
Share based payment to employees		0.17	-
Interest income		(0.22)	(3.30)
Interest and financial charges		15.00	6.66
Provision for doubtful debts, liquidated damages and advances		1.26	4.00
Provision for warranty		(0.30)	2.16
Unrealised foreign exchange fluctuation loss		1.23	0.91
Actuarial loss on gratuity reclassified in OCI		(0.87)	(1.52)
<b>Operating profit before working capital changes</b>		<b>177.02</b>	<b>163.57</b>
<b>Adjustments for :</b>			
Increase in inventories		(117.95)	(1.68)
Increase in trade receivable, loans and other financial & non financial assets		(44.42)	(64.87)
Increase in trade payables, provisions and other financial & non financial liabilities		104.89	53.32
<b>Cash generated from operations</b>		<b>119.54</b>	<b>150.34</b>
Direct taxes paid		(37.50)	(25.66)
<b>Net cash generated from operating activities</b>	A	<b>82.04</b>	<b>124.68</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment, including intangible assets		(93.24)	(84.85)
Proceeds from sale of property, plant and equipment		0.59	0.48
Proceeds from sale of current investments		0.45	35.36
Fixed deposits placed with banks		-	(3.10)
Proceeds from fixed deposits		2.59	-
Interest received		0.22	3.30
Purchase of non-current investments		(0.02)	(149.85)
<b>Net cash used in investing activities</b>	B	<b>(89.41)</b>	<b>(198.66)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of short term borrowings		(84.39)	(21.23)
Repayment of long term borrowings		(25.32)	-
Proceeds from long term borrowings		61.40	89.80
Proceeds from short term borrowings		69.55	24.46
Interest paid		(13.55)	(4.07)
Dividend paid		(7.16)	(7.30)
Payment of lease liabilities		(7.10)	(7.68)
<b>Net cash generated from / (used in) financing activities</b>	C	<b>(6.57)</b>	<b>73.98</b>

## Standalone Statement of Cash Flow (contd.)

for the year ended March 31, 2022

(₹ in Crore)

Particulars	Note	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	A+B+C	<b>(13.94)</b>	-
Cash and cash equivalents at the beginning of the year		28.68	28.68
Cash and cash equivalents at the end of the year		<b>14.74</b>	<b>28.68</b>
<b>COMPONENTS OF CASH AND BANK BALANCES</b>			
<b>Cash and cash equivalent</b>			
Cash and stamps on hand		0.03	0.03
Balances with banks			
- In current accounts		14.64	15.65
- In deposit accounts (Less than three months maturity)		0.07	13.00
		<b>14.74</b>	<b>28.68</b>

Disclosure as per para 44A as set out in Ind AS 7 on Cash Flow Statement under companies (Indian Accounting Standards) Rules, 2015 (as amended):

Particulars of liabilities arising from financing activities	Note No.	Year Ended 31.03.2021	Net cash flows	Non cash changes		Year Ended 31.03.2022
				Other changes*	Impact due to Ind AS 116	
Borrowings:						
Long term borrowings including current maturities of long term borrowing	20	90.52	36.08	1.35	-	127.95
Short term borrowings	20	14.84	(14.84)	-	-	-
Interest accrued on borrowings	23	0.49	(0.49)	0.38	-	0.38
Lease liabilities	21	17.22	(7.10)	1.56	0.29	11.97

\* It relates to non-cash changes charged in Statement of Profit & Loss.

The statement of Cash Flow has been prepared under the "Indirect Method" set out in Ind AS 7 Statement of Cash Flow.

As per our report of even date annexed

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Hardik Sutaria**  
Partner

Mumbai  
Date: May 25, 2022

For and on behalf of the Board of Directors of GMM Pfaudler Limited

**Dr. S. Sivaram**  
Chairman  
DIN: 00009900  
Mumbai, May 25, 2022

**Manish Poddar**  
Chief Financial Officer  
FCA 098238  
Mumbai, May 25, 2022

**Tarak Patel**  
Managing Director  
DIN: 00166183  
Mumbai, May 25, 2022

**Mittal Mehta**  
Company Secretary  
FCS 7848  
Mumbai, May 25, 2022



# Standalone Statement of Changes in Equity

for the year ended March 31, 2022

## A. Equity Share Capital

(₹ in Crore)

Particulars	Amount
<b>Balance at April 1, 2020</b>	<b>2.92</b>
Changes in equity share capital during the year	-
<b>Balance at March 31, 2021</b>	<b>2.92</b>
<b>Balance at April 1, 2021</b>	<b>2.92</b>
Changes in equity share capital during the year	-
<b>Balance at March 31, 2022</b>	<b>2.92</b>

## B. Other Equity

(₹ in Crore)

Particulars	Capital Reserve*	Securities Premium	General Reserve	Cash Subsidy Reserve	Retained Earnings	Share options outstanding reserve	Total
<b>Balance at April 1, 2020</b>	-	<b>14.93</b>	<b>21.13</b>	<b>0.07</b>	<b>232.03</b>	-	<b>268.16</b>
Profit for the year	-	-	-	-	95.10	-	95.10
Other comprehensive income for the year, net of income tax	-	-	-	-	(1.52)	-	(1.52)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	<b>93.58</b>	-	<b>93.58</b>
Payment of dividends	-	-	-	-	(7.31)	-	(7.31)
<b>Balance at March 31, 2021</b>	-	<b>14.93</b>	<b>21.13</b>	<b>0.07</b>	<b>318.30</b>	-	<b>354.43</b>
<b>Balance at April 1, 2021</b>	-	<b>14.93</b>	<b>21.13</b>	<b>0.07</b>	<b>318.30</b>	-	<b>354.43</b>
Profit for the year	-	-	-	-	94.96	-	94.96
Other comprehensive income for the year, net of income tax	-	-	-	-	(0.87)	-	(0.87)
Total comprehensive income for the year	-	-	-	-	<b>94.09</b>	-	<b>94.09</b>
Less : Payment of dividends	-	-	-	-	(7.31)	-	(7.31)
Add : Issue of Shares under Employee Stock Option Scheme	-	-	-	-	-	0.49	0.49
<b>Balance at March 31, 2022</b>	<b>0.00</b>	<b>14.93</b>	<b>21.13</b>	<b>0.07</b>	<b>405.08</b>	<b>0.49</b>	<b>441.70</b>

\* amounting to ₹ 17,250

As per our report of even date annexed

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Hardik Sutaria**  
Partner

Mumbai  
Date: May 25, 2022

For and on behalf of the Board of Directors of GMM PfauDler Limited

**Dr. S. Sivaram**  
Chairman  
DIN: 00009900  
Mumbai, May 25, 2022

**Manish Poddar**  
Chief Financial Officer  
FCA 098238  
Mumbai, May 25, 2022

**Tarak Patel**  
Managing Director  
DIN: 00166183  
Mumbai, May 25, 2022

**Mittal Mehta**  
Company Secretary  
FCS 7848  
Mumbai, May 25, 2022

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 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 & Vatva, Gujarat and Hyderabad, Telangana. The Company's principal activity is manufacturing of corrosion resistant glass-lined equipment used primarily in the chemical, pharmaceutical and allied industries. The Company also manufactures fluoro-polymer products and other chemical process equipment such as agitated nutsche filters, filter driers, wiped film evaporators and mixing systems.

## 2 Statement of compliance

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

## 3 Basis of Preparation of Financial Statements

### a) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. (Refer Note no. 4.h1)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial

statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, 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 the nearest rupee Crore.

## 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:

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

1. Useful lives of property, plant and equipment (Refer Note No. 4.d)
2. Provision for old and obsolete inventory (Refer Note No. 4.g)
3. Provision for Warranty Expense (Refer Note No. 4.j)
4. Employee benefits (Refer Note No. 4.k)
5. Expense Provisions & contingent liabilities (Refer Note No. 4.n)
6. Provision for Doubtful Trade Receivables (Refer Note No. 4.h8)
7. Valuation of deferred tax assets (Refer Note No. 4.o)
8. Impairment of Goodwill (Refer Note No. 4.c)
9. Lease (Refer Note No. 4.m)

## b) Property, Plant and Equipment and Intangible Assets

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all expenses related to the acquisition and installation of Property, Plant and Equipment which comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses.

Machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant class of assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

### Capital Work in Progress:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost comprises direct cost, related incidental expenses and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting

policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit & loss.

### Intangible Assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

## c) Business combination and Goodwill

### Business combination:

Business Combination is accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed out in statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition is recognized at their fair values at the acquisition date. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These

## Notes to Standalone Financial Statements

for the year ended March 31, 2022

adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

### Goodwill:

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

### d) Depreciation and Amortisation, Useful life of Property, Plant & Equipment and Intangible Assets

#### Depreciation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Name of Assets	Useful life
A) Burning Scaffold and Pilot Plant (included under Plant & Machinery)	3 years
B) Telephones (included under Office Equipment)	3 years
C) Vehicles	6 years
D) Solar Power Plant	10 years

Items costing less than ₹ 5000/- are fully depreciated in the year of put to use/purchase.

Leasehold improvements are amortized equally over the period of lease.

**Amortisation:** Intangible assets are amortised over their estimated useful life on straight line method as follows:

Name of Assets	Useful life
A) Computer Software	3-6 years
B) Technical Knowhow	3 years
C) Backlog	1 years
D) Process Knowhow	10 years
E) Non- Compete agreement	3 years

### e) Asset Impairment

The Company assesses at each reporting date using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

### f) Foreign Exchange Transactions and Translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognized as income or expense of the period in which they arise. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing rate. The resultant exchange rate differences are recognized in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction.

### g) Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined on the weighted average method and is net of tax credits and after providing for obsolescence and other losses. Cost includes all charges in bringing the goods to their existing location and conditions, including various tax levies (other than those subsequently recoverable from the tax authorities), transit insurance and receiving charges. Cost of work-in-progress and finished goods include cost of direct materials consumed, labour cost and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Net realizable value is the contracted selling

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

value less the estimated costs of completion and the estimated costs necessary to make the sales.

## h) Financial Instruments

### h1) Investments

Investments in mutual funds are primarily held for the Company's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

The Company measures investment in subsidiaries at cost as per Ind AS 27 - Separate Financial Statements. Transaction costs incurred in connection with investment in subsidiaries are capitalised in the Investment cost.

The Company has not made any irrevocable election to present subsequent changes in the fair value of equity investments, not held for trading, in other comprehensive income as the same are classified as fair value through profit or loss.

### h2) Trade Receivables

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognized at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

### h3) Cash & Cash Equivalents

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

### h4) Loan & Borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans

and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

### h5) Trade Payables

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

### h6) Other Financial Assets and Liabilities

Other non-derivative financial instruments are initially recognized at fair value and subsequently measured at amortized costs using the effective interest method.

### h7) De-recognition of Financial Assets and Liabilities

The Company derecognizes a financial asset when the contractual right to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction which substantially all the risk and rewards of ownership of the financial asset are transferred. If the Company retains substantially all the risk and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired; the difference between the carrying amount of derecognized financial liability and the consideration paid is recognized as profit or loss.

### h8) Impairment of Financial Assets

At each balance sheet date, the Company assesses whether a financial asset is to be impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Company measures the loss allowance for



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to 12-month expected credit losses. The Company uses both forward-looking and historical information to determine whether a significant increase in credit risk has occurred.

## i) Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, acceptance of delivery by the customer, etc.

In respect of fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting based on the progress towards complete satisfaction of the performance obligation of the contract at the reporting date. The progress is measured based on the Company's efforts or inputs to the satisfaction of the performance obligation, by reference to the costs incurred up to the end of reporting period and costs to complete as a percentage of total estimated costs in the contract.

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

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

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.

## **Share-based payment transactions of the group**

Certain eligible Employees of the Company and its subsidiaries receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be nonvesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. The Company raises recharge invoices to subsidiaries for the shares granted to the respective subsidiaries' employees based on the fair value of the options determined on grant date and netted

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

off against the share based payment expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## l) Operating Expenses

Operating Expenses are charged to statement of Profit and Loss on accrual basis.

## m) Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently

measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

## n) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability is not recognized but its existence is disclosed in the financial statements. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable in the financial statements.

## o) Taxation

Tax expense comprise of current and deferred tax. Current income tax comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

with tax laws applicable in jurisdictions where such operations are domiciled.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred tax are recognised in statement of profit & loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the Company intends to settle the asset and liability on a net basis. The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these

relate to taxes on income levied by the same governing taxation laws.

## p) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

## q) Non-Current Assets held for Sale :

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned.

The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,

## Notes to Standalone Financial Statements

for the year ended March 31, 2022

- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in the fair value less cost to sell of an assets but not in excess of the cumulative impairment loss previously recognised, A gain or loss previously not recognised by the date of sale of the non-current assets is recognised on the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

### 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 Company are segregated based on the available information.

## 5 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below. Ind AS 16 - Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

### Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling a contract comprises the costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

## **Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" - Interest rate Benchmark Reform Phase 2:**

The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:

- Changes to contractual cash flows - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark

reform will not result in an immediate gain or loss in the profit and loss statement.

- Hedge accounting - The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded. The amendments do not have significant impact on the financial statements.

## **Ind AS 103 "Business Combination"- Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103 - Business Combinations. The Company does not expect the amendment to have any significant impact in its financial statements.

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Crore)

## Note : 6 Property, Plant & Equipment

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2021		As on 31.03.2022		Upto 01.04.2021		Upto 31.03.2022		Upto 31.03.2022	As on 31.03.2022
	Additions	Transfer to Assets Held for Sale	Deductions	As on 31.03.2022	For the Year	For the Year	On Deductions	On Deductions	As on	As on
Freehold land	38.52	-	-	38.52	-	-	-	-	-	38.52
Leasehold improvement	7.61	0.59	-	8.20	3.34	1.73	-	-	5.07	3.13
Buildings (Refer Note 45)	35.90	19.21	7.32	47.72	7.14	1.60	2.24	0.03	6.47	41.25
Plant & machineries (Refer Note 45)	74.54	20.89	-	95.03	26.33	12.48	-	0.10	38.71	56.32
Office equipment (Refer Note 45)	8.01	4.66	-	11.88	3.25	1.95	-	0.77	4.43	7.45
Furniture & fixtures (Refer Note 45)	2.05	0.97	-	2.96	0.66	0.50	-	0.05	1.11	1.85
Vehicles (Refer Note 45)	6.02	1.78	-	6.79	2.47	1.28	-	0.77	2.98	3.81
<b>Total</b>	<b>172.65</b>	<b>48.10</b>	<b>7.32</b>	<b>211.10</b>	<b>43.19</b>	<b>19.54</b>	<b>2.24</b>	<b>1.72</b>	<b>58.77</b>	<b>152.33</b>

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2020		As on 31.03.2021		Upto 01.04.2020		Upto 31.03.2021		Upto 31.03.2021	As on 31.03.2021
	Additions	Transfer to Assets Held for Sale	Deductions	As on 31.03.2021	For the Year	For the Year	On Deductions	On Deductions	As on	As on
Freehold land	0.23	38.29	-	38.52	-	-	-	-	-	38.52
Leasehold improvement	7.56	0.05	-	7.61	1.79	1.55	-	-	3.34	4.27
Buildings	31.06	4.84	-	35.90	2.96	4.18	-	-	7.14	28.76
Plant & machineries	56.22	19.24	-	74.54	18.82	8.30	-	0.79	26.33	48.21
Office equipment	6.34	1.70	-	8.01	2.10	1.18	-	0.03	3.25	4.76
Furniture & fixtures	1.56	0.49	-	2.05	0.46	0.20	-	-	0.66	1.39
Vehicles	5.91	0.47	-	6.02	1.58	1.22	-	0.33	2.47	3.55
<b>Total</b>	<b>108.88</b>	<b>65.08</b>	<b>-</b>	<b>172.65</b>	<b>27.71</b>	<b>16.63</b>	<b>-</b>	<b>1.15</b>	<b>43.19</b>	<b>129.46</b>

### Notes:

- There are no adjustment to Property, Plant & Equipment on account of borrowing costs and exchange differences.
- Refer note 20 for details of charge/ pledge on above assets.
- On February 3, 2022, the Company has decided to sell Commercial property at Peninsula, Mumbai & Company's Guest house at Belvedere Court, Mumbai. Accordingly, the Company has reclassified these assets as "Assets held for sale" at their carrying value amounting to ₹ 5.08 Crores as they meet the criteria laid out under Ind AS 105. The Company has had deliberations with a few property consultants and has plan to close the deal within a year. The proceeds of sale are expected to exceed the carrying value of the related assets and hence, no impairment loss has been recognised on the reclassification of the said assets.

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## Note : 7 Right of Use Assets

(₹ in Crore)

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION				NET BLOCK	
	As on 01.04.2021	Additions	Deductions	As on 31.03.2022	Upto 01.04.2021	For the Year	On Deductions	Upto 31.03.2022	As on 31.03.2022
Land and buildings (Refer Note 45)	26.01	40.82	0.19	66.64	10.73	5.79	0.19	16.33	50.31
<b>Total</b>	<b>26.01</b>	<b>40.82</b>	<b>0.19</b>	<b>66.64</b>	<b>10.73</b>	<b>5.79</b>	<b>0.19</b>	<b>16.33</b>	<b>50.31</b>

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION				NET BLOCK	
	As on 01.04.2020	Additions	Deductions	As on 31.03.2021	Upto 01.04.2020	For the Year	On Deductions	Upto 31.03.2021	As on 31.03.2021
Land and buildings	27.45	0.56	2.00	26.01	5.45	6.38	1.10	10.73	15.28
<b>Total</b>	<b>27.45</b>	<b>0.56</b>	<b>2.00</b>	<b>26.01</b>	<b>5.45</b>	<b>6.38</b>	<b>1.10</b>	<b>10.73</b>	<b>15.28</b>

## Note : 8 A. Capital work in progress

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Capital work in progress	10.42	2.61
<b>Total Capital work in progress</b>	<b>10.42</b>	<b>2.61</b>

### (a) Capital work in progress ageing schedule

Particulars	As at 31.03.2022					As at 31.03.2021				
	Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
Projects in progress (Refer Note 45)	9.03	0.63	0.76	-	10.42	1.01	1.60	-	-	2.61
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, the project wise details of when the project is expected to be completed is given below:

Particulars	As at 31.03.2022					As at 31.03.2021				
	To be completed in				Total	To be completed in				Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
Buildings	3.00	-	-	-	3.00	1.26	0.28	-	-	1.54
Plant & machineries	7.08	-	-	-	7.08	0.17	0.89	-	-	1.06
<b>Total</b>	<b>10.08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.08</b>	<b>1.43</b>	<b>1.17</b>	<b>-</b>	<b>-</b>	<b>2.60</b>

## Notes to Standalone Financial Statements

for the year ended March 31, 2022

### B. Intangible assets under development

#### (a) Intangible assets under development ageing schedule

Particulars	As at 31.03.2022					As at 31.03.2021				
	Amount in Intangible for a period of					Amount in Intangible for a period of				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Projects in progress	-	-	-	-	-	-	0.03	-	-	0.03
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

(b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, the project wise details of when the project is expected to be completed is given below:

Particulars	As at 31.03.2022					As at 31.03.2021				
	To be completed in					To be completed in				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Computer software	-	-	-	-	-	0.03	-	-	-	0.03
<b>Total</b>	-	-	-	-	-	<b>0.03</b>	-	-	-	<b>0.03</b>

## 9. Intangible Assets

(₹ in Crore)

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION				NET BLOCK	
	As on 01.04.2021	Additions	Deductions	As on 31.03.2022	Upto 01.04.2021	For the Year	On Deductions	Upto 31.03.2022	As on 31.03.2022
Computer software	10.20	0.84	-	11.04	5.27	1.80	-	7.07	3.97
Technical knowhow	0.22	-	-	0.22	0.12	0.02	-	0.14	0.08
Backlog	0.43	-	-	0.43	0.43	-	-	0.43	-
Process knowhow	12.07	-	-	12.07	2.33	6.42	-	8.75	3.32
Non- compete agreement	15.64	-	-	15.64	4.35	-	-	4.35	11.29
<b>Total</b>	<b>38.56</b>	<b>0.84</b>	-	<b>39.40</b>	<b>12.50</b>	<b>8.24</b>	-	<b>20.74</b>	<b>18.66</b>

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION				NET BLOCK	
	As on 01.04.2020	Additions	Deductions	As on 31.03.2021	Upto 01.04.2020	For the Year	On Deductions	Upto 31.03.2021	As on 31.03.2021
Computer software	8.20	2.00	-	10.20	3.76	1.51	-	5.27	4.93
Technical knowhow	0.22	-	-	0.22	0.10	0.02	-	0.12	0.10
Backlog	0.43	-	-	0.43	0.40	0.03	-	0.43	-
Process knowhow	12.07	-	-	12.07	1.13	1.20	-	2.33	9.74
Non- compete agreement	3.76	11.88	-	15.64	1.17	3.18	-	4.35	11.29
<b>Total</b>	<b>24.68</b>	<b>13.88</b>	-	<b>38.56</b>	<b>6.56</b>	<b>5.94</b>	-	<b>12.50</b>	<b>26.06</b>

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## Depreciation and Amortisation Expense

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Depreciation of Property, Plant and Equipment	19.54	16.63
Amortisation of Right to Use Assets	5.79	6.38
Amortisation of Intangible Assets	8.24	5.94
<b>Total depreciation and amortisation expense</b>	<b>33.57</b>	<b>28.95</b>

## Note : 10 Investments

(₹ in Crore)

### (i) Non Current

Particulars	Face value	Qty As At 31.03.2022	Amount As At 31.03.2022	Qty As At 31.03.2021	Amount As At 31.03.2021
<b>Subsidiary Companies (unquoted) (at cost)</b>					
GMM Mavag AG (Face Value CHF 1,000)	1000	5,000	21.39	5,000	21.39
GMM International S.a.r.l (Face Value USD 0.01)**	0.01	1,88,36,339	149.85	1,88,36,339	149.85
GMM Pfaudler Foundation (Face Value ₹ 10) ##	10	9,999	0.01	-	-
			<b>171.25</b>		<b>171.24</b>
<b>Shares in Co-operative Societies (unquoted) (at fair value)</b>					
Charotar Gas Sahakari Mandali Ltd #	500	10	0.00	10	0.00
			<b>0.00</b>		<b>0.00</b>
<b>Equity Shares (unquoted) (at fair value)</b>					
Futura Polyster Ltd *	10	100	0.00	100	0.00
Mana Effluent Treatment Plant Limited	1000	50	0.01	-	-
			<b>0.01</b>		<b>0.00</b>
<b>Total unquoted investments</b>			<b>171.26</b>		<b>171.24</b>

(\* Unit 100 and Value ₹385/-)

(\*\* These shares are pledged against borrowings availed by foreign subsidiaries (Pfaudler group))

(# Unit 10 and Value ₹5000/-)

(## During the year company has incorporated new subsidiary - GMM Pfaulder Foundation w.e.f March 8, 2022)

### (ii) Current

Particulars	Face value (₹)	No. of Units As At 31.03.2022	Amount As At 31.03.2022	No. of Units As At 31.03.2021	Amount As At 31.03.2021
<b>In Units of Mutual Funds, Unquoted (at fair value)</b>					
Aditya Birla Sun Life Credit Risk Fund - Growth Regular - (Segregated Portfolio 1)	10	50,47,117	0.08	50,47,117	0.21
Nippon India Strategic Debt Fund - Segregated Portfolio 1 - Growth Plan	10	-	-	42,43,461	0.01
<b>Government Securities (Quoted) (at fair value)</b>					
Indian Railway Finance Corp. Bonds	1000	-	-	4,350	0.45
<b>Total</b>			<b>0.08</b>		<b>0.67</b>

### Category wise classification of investments - as per Ind AS 109

Particulars	As At 31.03.2022	As At 31.03.2021
Financial assets carried at fair value through profit or loss (FVTPL)		
i) Mandatorily measured at FVTPL (Investment in mutual fund)	0.08	0.67
ii) Designated as at FVTPL (Investment in equity instruments)	0.01	0.00
<b>Total</b>	<b>0.09</b>	<b>0.67</b>



## Notes to Standalone Financial Statements

for the year ended March 31, 2022

### Note : 11 Loans

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Current</b>		
<b>(Unsecured)</b>		
Loans to employees	0.12	0.08
<b>Total</b>	<b>0.12</b>	<b>0.08</b>

**Note:** There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any person.

### Note : 12 Other Financial Assets

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>(i) Non Current</b>		
Security Deposits (including considered doubtful as at 31.03.22 ₹ 0.07 Crore, as at 31.03.21 ₹ 0.07 Crore)	3.81	2.75
Less : Provision for doubtful security deposits	0.07	0.07
Fixed deposits with original maturity more than twelve months (including margin money deposit lodged against bank guarantee)	0.38	0.28
ESOP Receivable (Refer Note 37)	0.32	-
	<b>4.44</b>	<b>2.96</b>
<b>(ii) Current</b>		
Security Deposits	-	0.28
Accrued income	1.15	0.28
Unbilled Revenue (Net of Advance from customers)	51.27	34.68
<b>Total</b>	<b>52.42</b>	<b>35.24</b>

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Contracts in Progress at the end of reporting period</b>		
1. Contract Revenue Recognised as per Percentage of Completion Method	44.28	9.41
2. Contract Cost Incurred up to the reporting date	19.12	3.79
3. Recognised Profit (1-2)	25.16	5.62
4. Progress billings	-	-
<b>Balance at the end of the year</b>		
5. Recognised and Included in Financial Statements as amounts due:		
(i) Amounts due from Customers under construction contracts	85.54	41.26
(ii) Amounts due to Customers under construction contracts	-	-
6. Retentions held by customer	-	-
7. Advances received from customers	34.27	6.58

**Note:** Since the original expected duration of contracts entered by the Company is one year or less, management expects to recognise revenue with respect to unsatisfied / partially satisfied performance obligations, within twelve months from the date of balance sheet.

### Note : 13 (Current Tax Liabilities) / Non-current Tax Assets

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for Income Tax	120.62	87.84
Advance payment of Tax	121.04	82.81
<b>Total</b>	<b>0.42</b>	<b>(5.03)</b>

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## Note : 14 Other Assets

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>(i) Non Current</b>		
Capital Advances (Unsecured, Considered Good)	1.19	7.12
Balances with indirect tax authorities	0.30	0.30
Less: Provision for doubtful balance with indirect tax authorities	0.30	0.30
	<b>1.19</b>	<b>7.12</b>
<b>(ii) Current</b>		
Balances with Indirect Tax Authorities	19.50	5.89
Less: Provision for doubtful balance with indirect tax authorities	0.40	0.39
Prepaid Expenses	3.66	2.39
Advance to Suppliers (Unsecured, Considered Good)		
- Related party	1.87	-
- Others	2.86	3.63
Employee Advances*	0.04	0.01
Export Benefit Receivable	2.47	1.94
Others	0.06	0.05
	<b>30.06</b>	<b>13.52</b>

\* Note: There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any person.

## Note : 15 Inventories

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>(Valued at lower of cost and net realisable value)</b>		
Raw materials (including in transit as at 31.03.22 ₹ 0.85 Crore and as at 31.03.21 ₹ 1.53 Crore)	130.78	57.19
Work-in-progress	64.72	32.93
Finished goods (including in transit as at 31.03.22 ₹ 11.87 Crore and as at 31.03.21 ₹ 8.82 Crore)	25.96	16.64
Stores and spares	9.14	5.89
<b>Total</b>	<b>230.60</b>	<b>112.65</b>

(Inventories are hypothecated as security for borrowings as disclosed under Note 20).

## Note : 16 Trade receivables

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Unsecured, Considered good</b>	134.16	124.89
Less : Allowance for doubtful debts	13.15	11.89
<b>Total</b>	<b>121.01</b>	<b>113.00</b>

(Trade Receivables are given as security for borrowings as disclosed under Note 20).

## Movement in the expected credit loss allowance

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Balance at beginning of the year</b>	11.89	7.90
Add : Provision made during the year	2.12	4.31
Less : Provision used during the year	0.86	0.32
<b>Balance at the end of the year</b>	<b>13.15</b>	<b>11.89</b>

## Notes to Standalone Financial Statements

for the year ended March 31, 2022

### Trade receivables ageing schedule as at 31.03.2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
	i) Undisputed Trade receivables – considered good	121.56	8.60	2.03	0.25	
	<b>121.56</b>	<b>8.60</b>	<b>2.03</b>	<b>0.25</b>	<b>1.72</b>	<b>134.16</b>
Less : Allowance for doubtful debts						<b>13.15</b>
<b>Trade receivables</b>						<b>121.01</b>

### Trade receivables ageing schedule as at 31.03.2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
	i) Undisputed Trade receivables – considered good	110.97	9.32	2.66	1.02	
	<b>110.97</b>	<b>9.32</b>	<b>2.66</b>	<b>1.02</b>	<b>0.92</b>	<b>124.89</b>
Less : Allowance for doubtful debts						<b>11.89</b>
<b>Trade receivables</b>						<b>113.00</b>

### Note : 17 Cash and Bank Balances

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Cash and Cash Equivalents</b>		
Cash and stamps on hand	0.03	0.03
Balances with banks		
In current accounts	14.64	15.65
In deposit accounts with original maturity less than three months	0.07	13.00
	<b>14.74</b>	<b>28.68</b>
<b>Other Bank Balances</b>		
Fixed deposits with original maturity more than three months and less than twelve months (including margin money deposit lodged against bank guarantee and letter of credit)	0.20	2.89
In unpaid dividend accounts - Earmarked balances	0.40	0.25
	<b>0.60</b>	<b>3.14</b>

### Note : 18 Equity Share Capital

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Authorised</b>		
25,000,000 (PY 25,000,000) Equity shares of ₹ 2/- each	5.00	5.00
<b>Issued, Subscribed and Paid-up</b>		
14,617,500 (PY 14,617,500) Equity shares of ₹ 2/- each fully paid up	2.92	2.92
<b>Total</b>	<b>2.92</b>	<b>2.92</b>

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## a Reconciliation of equity shares outstanding at the beginning and end of the reporting year

Particulars	(₹ in Crore)			
	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	(₹ in Crore)	No. of Shares	(₹ in Crore)
<b>At the Beginning of the year</b>	1,46,17,500	2.92	1,46,17,500	2.92
Changes in equity share capital during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>1,46,17,500</b>	<b>2.92</b>	<b>1,46,17,500</b>	<b>2.92</b>

## 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 31.03.2022		As at 31.03.2021	
	No. of Shares	% holding	No. of Shares	% holding
Pfudler Inc.	47,76,736	32.68%	47,76,736	32.68%
Millars Machinery Co. Pvt. Limited	12,95,595	8.86%	12,95,595	8.86%

## 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.

## e Shares reserved for issue under options and contracts:

Refer Note 37 for details of shares to be issued under employee stock option Scheme (ESOP 2021)

## f Details of Shareholding of Promoters

Shares held by promoters at the end of the year		As at 31.03.2022		
Sr. No.	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	Tarak Ashok Patel	1,73,960	1.19%	-
2	Ashok Jethabhai Patel	6,745	0.05%	-
3	Urmi Ashok Patel	6,19,679	4.24%	-
4	A J Patel HUF	2,77,235	1.90%	-
5	Uttara A Patel	1,66,995	1.14%	-
6	Panna Shailendra Patel	33,750	0.23%	-
7	Pragna Satish Patel	16,160	0.11%	-
8	Palomita Shailendra Patel	1,200	0.01%	-
9	A J Patel Charitable Trust	2,53,125	1.73%	-
10	Millars Machinery Company Pvt Ltd	12,95,595	8.86%	-
11	Uttarak Enterprises Pvt Ltd.	4,10,885	2.81%	-
12	Pfudler Inc	47,76,736	32.68%	-
	<b>Total</b>	<b>80,32,065</b>	<b>54.95%</b>	<b>-</b>

## Notes to Standalone Financial Statements

for the year ended March 31, 2022

### Shares held by promoters at the end of the year

Sr. No.	Promoter Name	No. of Shares	As at 31.03.2021	
			% of total shares	% Change during the year
1	Tarak Ashok Patel	1,73,960	1.19%	-
2	Ashok Jethabhai Patel	6,745	0.05%	-
3	Urmi Ashok Patel	6,19,679	4.24%	-0.85%
4	A J Patel HUF	2,77,235	1.90%	-
5	Uttara A Patel	1,66,995	1.14%	-
6	Panna Shailendra Patel	33,750	0.23%	-
7	Pragna Satish Patel	16,160	0.11%	-
8	Palomita Shailendra Patel	1,200	0.01%	-
9	A J Patel Charitable Trust	2,53,125	1.73%	-
10	Millars Machinery Company Pvt Ltd	12,95,595	8.86%	-20.30%
11	Uttarak Enterprises Pvt Ltd.	4,10,885	2.81%	-
12	Pfaudler Inc	47,76,736	32.68%	-35.21%
	<b>Total</b>	<b>80,32,065</b>	<b>54.95%</b>	<b>-26.74%</b>

### Note : 19 Other Equity

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Capital Reserve:</b>		
Balance at the beginning of the year*	0.00	0.00
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>0.00</b>	<b>0.00</b>
* Balance at the beginning and at the end of the year ₹ 17,250/-		
<b>Cash Subsidy Reserve:</b>		
Balance at the beginning of the year	0.07	0.07
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>0.07</b>	<b>0.07</b>
<b>Securities Premium:</b>		
Balance at the beginning of the year	14.93	14.93
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>14.93</b>	<b>14.93</b>
<b>General Reserve:</b>		
Balance at the beginning of the year	21.13	21.13
Add: Transfer from Statement of Profit and Loss account	-	-
<b>Balance at the end of the year</b>	<b>21.13</b>	<b>21.13</b>
<b>Share options outstanding reserve:</b>		
Balance at the beginning of the year	-	-
Add: Issue of Shares under Employee Stock Option Scheme (Refer Note 37)	0.49	-
<b>Balance at the end of the year</b>	<b>0.49</b>	<b>-</b>



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## Note : 19 Other Equity (contd...)

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Surplus in Statement of Profit and loss:</b>		
<b>Balance at the beginning of the year</b>	318.30	232.03
Add : Net Profit for the year	94.09	93.58
Less : Appropriations:		
Interim Dividend [ Dividend Per Share ₹ 3, (Previous Year ₹ 3)]	4.39	4.39
Final Dividend [ Dividend Per Share ₹ 2, (Previous Year ₹ 2)]	2.92	2.92
<b>Balance at the end of the year</b>	<b>405.08</b>	<b>318.30</b>
<b>Total Other Equity</b>	<b>441.70</b>	<b>354.43</b>

### Nature and Purpose of Reserves:

#### Capital Reserve:

Capital Reserve represents excess/short of net assets acquired in business combination. It is not available for the distribution to shareholders as dividend.

#### Cash Subsidy Reserve:

Cash Subsidy Reserve represents subsidies received from state government. It is not available for distribution as dividend to shareholders.

#### Securities Premium:

Securities Premium represents Security Premium received at the time of issuance of Equity Shares. Such amount is available for utilisation in accordance with the provisions of the Companies Act, 2013.

#### 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.

#### Share options outstanding reserve:

This reserve relates to share options granted by the Company to its employee stock option scheme. Further information about share-based payments to employees is set out in Note 37.

## Note : 20 Borrowings

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>i. Long Term Borrowings</b>		
<b>a. Non Current</b>		
<b>Secured (at amortised cost)</b>		
Term Loan from Bank (Refer Note : 1, 2 & 3)	100.62	75.20
	<b>100.62</b>	<b>75.20</b>
<b>b. Current</b>		
<b>Secured (at amortised cost)</b>		
Term Loan from Bank (Refer Note:4)	27.25	15.32
	<b>27.25</b>	<b>15.32</b>
<b>Total Long Term Borrowings (i)</b>	<b>127.87</b>	<b>90.52</b>
<b>ii. Short Term Borrowings</b>		
<b>Unsecured (at amortised cost)</b>		
Working Capital Loans repayable on demand from Banks (Refer Note: 5)	-	14.84
Current Maturities of Long terms borrowings	27.25	15.32
<b>Total Short Term Borrowings (ii)</b>	<b>27.25</b>	<b>30.16</b>
<b>Total Borrowings (i+ii)</b>	<b>127.87</b>	<b>105.36</b>

## Notes to Standalone Financial Statements

for the year ended March 31, 2022

### Note :

- 1 A Rupee Term Loan amounting to ₹ 35.18 Crore (Previous Year 2020-21: ₹ 46.00 Crore) is secured by charge over immovable property and movable property located at Hyderabad. The loan carries interest rate at 6.75% (Previous Year 2020-21: 7.4%) per annum. The Loan is repayable in 17 quarterly instalments.
- 2 A Rupee Term Loan amounting to ₹ 51.40 Crore (Previous Year 2020-21: Nil) is secured by charge over movable and immovable property located at Vatva (Ahmedabad) Gujarat. The loan carries interest rate at 6.55% per annum. The Loan is repayable in 14 quarterly instalments. The charge on above securities with respect to mortgage is in process of registration with MCA.
- 3 External Commercial Borrowing (ECB) amounting to ₹ 41.29 Crore (Previous Year 2020-21: ₹ 44.52 Crore) is secured by parri passu charge on the Company's Karamsad factory, 1<sup>st</sup> charge by way of hypothecation on the Company's inventories (stores & spares not relating to the Plant and Machinery), Bills Receivable, Book Debts and all other movables including machineries, equipments, spares etc. The loan carries interest rate of 3/6 month Libor plus 245 basis point. Repayments have started from July 2021 and will continue until January 2025. The charge on above securities is in process of registration with MCA.
- 4 Installments falling due within a year in respect of all the above Loans aggregating ₹ 27.25 Crore (Previous Year 2020-21: ₹ 15.32 Crore) have been grouped under "Current Maturities of Long terms borrowings".
- 5 Working Capital Loans include Foreign currency Loan amounting to NIL (Previous Year 2020-21: ₹ 14.84) repayable within one year bearing interest rate minimum FCY FTP +125 bps p.a and having benchmark 3/6/Month LIBOR and the same has been repaid during the Financial Year 21-22.
- 6 The Company has been sanctioned working capital from banks on the basis of security of current assets. The Company in this regard has been duly submitting with all such banks from whom such facilities are taken, the quarterly statements comprising details of said current assets viz. raw material, stores and spares, finished goods, book debts and reduced by relevant trade payables.

The said quarterly statements are in agreement with the unaudited books of account of the Company of the respective quarters and there are no material discrepancies.

### Note : 21 Lease Liabilities

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Non Current	5.23	11.75
Current	6.74	5.47
<b>Total</b>	<b>11.97</b>	<b>17.22</b>

#### (i) Movement in Lease Liabilities

Particulars	As at 31.03.2022	As at 31.03.2021
Opening Balance	17.22	23.19
Add: Addition made during the year	0.29	0.55
Add: Finance cost accrued during the year (Refer Note 32)	1.56	2.10
Less: Deletion made during the year	-	0.95
Less: Payment of Lease Liabilities	7.10	7.67
<b>Closing Balance</b>	<b>11.97</b>	<b>17.22</b>

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

Particulars	As at 31.03.2022	As at 31.03.2021
Payable within one year	7.80	7.05
Payable later than one year and not later than five years	5.55	13.04
Payable after five years	-	-

#### (iii) Lease payments recognised for short term leases in Statement of Profit and Loss during the year (Refer Note 33)

Particulars	As at 31.03.2022	As at 31.03.2021
	0.49	0.20

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet obligations related to lease liabilities as and when they fall due.

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## Note : 22 Deferred Tax Liabilities

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Deferred tax liabilities	5.68	5.92
Deferred tax assets	(1.17)	(1.40)
<b>Net Deferred Tax Liabilities</b>	<b>4.51</b>	<b>4.52</b>

Particulars	2021-22			2020-21		
	Opening Balance	Charged to/ (Reversed from) Statement of P&L	Closing Balance	Opening Balance	Charged to (Reversed from) Statement of P&L	Closing Balance
<b>Deferred tax liabilities/(assets) in relation to:</b>						
Property, plant and equipment	5.86	(0.21)	5.65	4.76	1.10	5.86
Investments classified as FVTPL	0.06	(0.03)	0.03	1.62	(1.56)	0.06
Provision for doubtful debt	(1.15)	0.09	(1.06)	(1.09)	(0.06)	(1.15)
Lease liabilities	(0.25)	0.14	(0.11)	(0.31)	0.06	(0.25)
<b>Net Deferred Tax Liabilities</b>	<b>4.52</b>	<b>(0.01)</b>	<b>4.51</b>	<b>4.98</b>	<b>(0.46)</b>	<b>4.52</b>

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

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Profit Before tax from Continuing Operations</b>	<b>127.02</b>	<b>125.90</b>
Income Tax using the Company's domestic Tax rate #	31.97	31.69
<b>Tax Effect of :</b>		
- Non deductible expenses	9.20	8.20
- Tax - Exempt income	-	-
- Deduction on account of expenses allowable in tax but not claimed in book	(8.38)	(7.32)
- Tax impact on Income charged under Capital Gain/Other Income	-	0.25
- Changes in recognised deductible temporary differences	(0.01)	(0.38)
- Changes in recognised deductible temporary differences due to change in rate of tax	-	(0.08)
- Tax impact on notional income / expense	(0.14)	(0.17)
- Excess Provision for Tax relating to Prior Years	(0.58)	(1.39)
<b>Income Tax recognised in Statement of Profit &amp; Loss from Continuing Operations</b>	<b>32.06</b>	<b>30.80</b>
<b>Effective Tax Rate</b>	<b>25.24%</b>	<b>24.46%</b>

# The Tax rate used for Financial Year 2021-22 & 2020-21, in reconciliation above is the corporate tax rate of 25.17% payable by the Company on taxable profits under the Indian Tax Law.

### (b) Income Tax Expense

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Current Tax:</b>		
Current Income Tax Charge	32.65	32.65
Excess Provision for Tax relating to Prior Years	(0.58)	(1.39)
<b>Deferred Tax</b>		
Deferred Tax Charge for the year	(0.01)	(0.46)
<b>Total Tax Expense recognised in statement of profit and loss</b>	<b>32.06</b>	<b>30.80</b>

## Notes to Standalone Financial Statements

for the year ended March 31, 2022

### Note : 23 Trade Payables

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Dues to Micro, Small and Medium Enterprises (Refer Note 44)	2.70	4.41
Dues to Other Creditors	156.13	88.67
<b>Total</b>	<b>158.83</b>	<b>93.08</b>

#### Trade payables ageing schedule as at 31.03.2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
(i) MSME	2.70	-	-	-	2.70
(ii) Others	144.79	3.38	0.58	2.41	151.16
<b>Total</b>	<b>147.49</b>	<b>3.38</b>	<b>0.58</b>	<b>2.41</b>	<b>153.86</b>
Add: Accrued Expenses					4.97
<b>Total</b>					<b>158.83</b>

#### Trade payables ageing schedule as at 31.03.2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
(i) MSME	4.41	-	-	-	4.41
(ii) Others	76.08	0.83	0.85	1.62	79.38
<b>Total</b>	<b>80.49</b>	<b>0.83</b>	<b>0.85</b>	<b>1.62</b>	<b>83.79</b>
Add: Accrued expenses					9.29
<b>Total</b>					<b>93.08</b>

### Note : 24 Other Financial Liabilities

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Current</b>		
Unclaimed Dividend (Refer Note below)	0.36	0.25
Payables for capital expenditure	0.43	2.08
Employee benefits payable	17.24	15.86
Interest accrued but not due on borrowings	0.38	0.49
<b>Total</b>	<b>18.41</b>	<b>18.68</b>

#### Note:

The amount of Unclaimed Dividend reflects the position as at March 31, 2022. During the year, the Company has transferred an amount of 0.02 Crore (Previous year ₹ 0.03 Crore) to the Investors' Education and Protection Fund in accordance with the provisions of section 125 of the Companies Act, 2013.

### Note : 25 Other Liabilities

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Current</b>		
Advances from customers (Net of advances related to unbilled revenue)	93.99	56.39
Statutory dues payable	2.31	2.58
<b>Total</b>	<b>96.30</b>	<b>58.97</b>

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## Note : 26 Provisions

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Non- Current</b>		
Provision for employee benefits (Note (i))	-	0.35
<b>Total</b>	<b>-</b>	<b>0.35</b>
<b>Current</b>		
Provision for employee benefits (Note (i))	3.33	2.98
Provision for unexpired warranty (Note (ii))	3.83	4.13
<b>Total</b>	<b>7.16</b>	<b>7.11</b>

### 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 36.
- (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

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Opening balance</b>	4.13	1.97
Add: Additional provision made during the year	1.59	5.93
Less: Provision used during the year	1.89	3.77
<b>Closing balance</b>	<b>3.83</b>	<b>4.13</b>

## Note : 27 Revenue from Operations

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Revenue from Sale of Products	795.44	634.65
Other Operating Revenues	19.38	6.16
<b>Total</b>	<b>814.82</b>	<b>640.81</b>

### Disaggregate Revenues from contracts with customer :

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Revenue from Glass lined equipment	498.70	401.32
Revenue from Heavy Engineering	140.46	95.94
Revenue from Proprietary Product	175.66	143.55
<b>Total</b>	<b>814.82</b>	<b>640.81</b>

### Reconciliation of Revenue from operations with contract price:

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Contract Price	824.06	652.19
Less : Adjustment made to contract price on account of:		
Sales return	7.34	7.40
Liquidated damages	1.90	3.98
<b>Total</b>	<b>814.82</b>	<b>640.81</b>



## Notes to Standalone Financial Statements

for the year ended March 31, 2022

### Note : 28 Other Income

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Interest Income (Gross)</b>		
- Non - current investments	-	0.04
- Deposits with banks	0.15	2.25
-Others	0.07	1.02
Net gain on sale of non-current investments	0.06	-
<b>Other non-operating income</b>		
- Profit on sales of fixed assets (net)	-	0.31
- Miscellaneous Income	0.49	4.27
<b>Net gain on foreign exchange translations</b>	<b>2.99</b>	<b>-</b>
<b>Total</b>	<b>3.76</b>	<b>7.89</b>

### Note : 29 Cost of Materials Consumed

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Opening stock of Raw materials and Stores and spares	63.08	51.08
Add: Purchases during the year	478.96	275.71
	542.04	326.79
Less: Closing stock of Raw materials and Stores and spares	139.92	63.08
<b>Total</b>	<b>402.12</b>	<b>263.71</b>

### Note : 30 Changes in Inventories of Finished Goods and Work-in-Progress

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Inventory of finished good at the beginning of the year	16.64	11.83
Inventory of work in progress at the beginning of the year	32.93	48.06
	<b>49.57</b>	<b>59.89</b>
Inventory of finished good at the closing of the year	25.96	16.64
Inventory of work in progress at the closing of the year	64.72	32.93
	<b>90.68</b>	<b>49.57</b>
<b>Total</b>	<b>(41.11)</b>	<b>10.32</b>

### Note : 31 Employee Benefits Expense

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Salaries and Wages	78.55	64.18
Contribution to Provident and Other Funds	5.14	3.79
Shared Based Payment to Employees (Refer Note No. 37)	0.17	-
Staff Welfare Expenses	2.69	1.93
<b>Total</b>	<b>86.55</b>	<b>69.90</b>

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## Note : 32 Finance Costs

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Interest Expense	11.14	2.91
Other Financial Charges	2.30	1.65
Interest on Lease Liabilities (Refer Note 21)	1.56	2.10
<b>Total</b>	<b>15.00</b>	<b>6.66</b>

## Note : 33 Other Expenses

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Power & Fuel	42.45	25.20
Stores & Spares Consumption	30.08	22.71
Repairs to Machinery	6.35	4.90
Repairs to Buildings	1.76	1.25
Repairs- Others	1.09	0.52
Rent (Refer Note 21)	0.49	0.20
Insurance	3.54	2.27
Rates & Taxes	0.56	0.39
Royalty	4.26	3.67
Travel & Conveyance	3.38	1.93
Communication	1.17	1.02
Bad debts written off	0.58	-
Provision for doubtful debts and advances (net)	(0.36)	0.33
Provision for Warranty expenses (net)	(0.30)	2.16
Loss on Sale of Property, Plant & Equipment	0.02	-
Net Loss on Sale of Investments - Current Investments	-	0.09
Net Loss on Current Investments designated as Fair Value through Profit or Loss	0.14	0.01
Net loss on foreign exchange translations	-	0.49
Advertisement and sales promotion	1.53	0.87
Commission	0.92	0.53
Legal and professional fees	12.35	5.13
Freight outward	12.52	15.55
Payments to auditors ( Refer Note : 35)	0.54	0.64
Expense on CSR activities ( Refer Note : 42)	1.77	1.21
IT Expenses	1.65	1.15
Miscellaneous Expenses	10.08	9.16
<b>Total</b>	<b>136.57</b>	<b>101.38</b>

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## Note : 34 Contingent Liabilities and Commitments

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>A) Contingent Liabilities not provided for:</b>		
<b>1. Claim against the Company not acknowledged as debts</b>		
i) Disputed demands Relating to Indirect Taxes. - Company has preferred appeal against orders for payment under RCM in respect to Service Tax matter. - Company has filed appeal against Assessment order in respect of Sales Tax matter. Management will reasonably confident that no liability will devolve on company and hence no liabilities have recognized in the books of account.	0.70	1.86
ii) Matter decided in favour of the company where the income tax department has preferred appeals. - The Assessing Officer has filed appeal with respect to disallowance of warranty provision for AY 2007-08 and 2008-09. - The company has received order from ITAT Ahmedabad for which ITAT has set aside the issue to CIT (Appeal) in respect of upward adjustment in Arms Length Price for AY 2010-11. - Department has preferred appeal before ITAT Ahmedabad against order passed by CIT (Appeal) in respect of upward adjustment in Arms Length Price and disallowance of warranty provision for AY 2011-12 & 2012-13. The management is reasonably confident that no liability will arise in future and hence no provision is made in the books of accounts.	5.27	5.27
iii) Disputed demands relating to tax against which the Company has preferred appeals. - The company has received order from ITAT Ahmedabad in which ITAT has set aside the issue to CIT (Appeal) with respect to upward adjustment of Arms Length Price for AY 2010-11 and the company has filed Misc. application against this order. - The Company has preferred appeal before ITAT Ahmedabad against order passed by CIT (Appeal) in respect of upward adjustment of Arms Length Price for AY 2011-12 & 2012-13. - Company has preferred appeal before CIT (Appeal) against the disallowance of education expenditure under Section 143 (3) for AY 2013-14. - Company has preferred appeal before CIT (Appeal) with respect to disallowance of commission paid to non-resident due to non deduction of TDS for AY 2017-18. The management is reasonably confident that no liability will arise in future and hence no provision is made in books of account.	0.24	0.24
Note: Against the above, the company has paid ₹ 0.35 Crore. The expected outflow will be determined at the time of final outcome in respect of concerned matter.		
<b>2 Guarantees</b> The group has issued various guarantees for performance, deposits, advances etc. The management basis past history and events has considered the probability for outflow of the same to be remote and accordingly no amount has been disclosed here in contingent liability.		
<b>B) Commitments</b> Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	19.35	57.26

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## Note : 35 Payments to Auditors

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>As Auditor</b>		
(i) Statutory audit fees	0.35	0.46
(ii) Limited review fees	0.15	0.15
(iii) Tax audit fees	0.02	0.02
<b>Other services</b>		
(i) Certification	0.01	-
<b>Reimbursement of out-of-pocket expenses</b>	0.01	0.01
<b>Total</b>	<b>0.54</b>	<b>0.64</b>

## Note : 36 Employee Benefits

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 and Employee State's Insurance.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

(₹ in Crore)

Particulars	31.03.2022	31.03.2021
Employer's Contribution to Provident Fund	2.53	1.79
Employer's Contribution to Superannuation Fund	0.55	0.51
Employer's Contribution to Pension Scheme	0.90	0.75
Employer's Contribution to Employee's State Insurance	0.01	-

### Compensated absences and earned leaves

The Company's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy.

### Defined Benefit Plans

The Company operates a defined benefit plan in form of gratuity plan covering eligible employees, which provide a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

**These plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.**

#### Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on planned asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.

#### Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

#### Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

#### Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan liability.

## Notes to Standalone Financial Statements

for the year ended March 31, 2022

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, 2022. 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 Crore)

Particulars	Gratuity (Funded)		Compensated Absences (Funded)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>a Assumptions :</b>				
Discount Rate	7.33%	6.95%	7.33%	6.95%
Rate of Return on Plan Assets	7.33%	6.95%	7.33%	6.95%
Salary Escalation	7.0%	7.0%	7.0%	7.0%
Mortality	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2006-08
Average Past Service	5.34 Years	6.17 Years	5.33 Years	6.17 Years
Average Age	36.49 Years	36.96 Years	36.49 Years	36.96 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>b Table showing changes in Present value of defined benefit obligation:</b>				
Liability at the beginning of the year	8.71	6.78	4.20	3.06
Interest cost	0.61	0.46	0.29	0.21
Current service cost	0.99	0.66	0.41	0.27
Liabilities Transferred in/ Acquisition	-	-	-	-
Benefit paid	(1.17)	(0.67)	(0.58)	(0.17)
Actuarial (gains) and loss arising from changes in demographic assumptions	0.00 *	-	0.00 **	-
Actuarial (gains) and loss arising from changes in financial assumptions	(0.48)	0.84	(0.28)	0.47
Actuarial (gains) and loss arising from experience adjustments	1.33	0.64	1.13	0.36
<b>Liability at the end of the year</b>	<b>9.99</b>	<b>8.71</b>	<b>5.17</b>	<b>4.20</b>
<b>c Change in Plan Assets:</b>				
Fair value of Plan Assets at the beginning of the year	6.51	5.64	3.07	2.10
Expected Return on Plan Assets	0.45	0.38	0.22	0.14
Assets Transferred in/ Acquisition	-	-	-	-
Contributions	2.21	1.20	1.13	0.98
Benefit Paid	(1.17)	(0.67)	(0.58)	(0.17)
Actuarial gain / (loss) on Plan Assets	(0.02)	(0.04)	0.01	0.02
<b>Fair value of Plan Assets at the end of the year</b>	<b>7.98</b>	<b>6.51</b>	<b>3.85</b>	<b>3.07</b>



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Crore)

Particulars	Gratuity (Funded)		Compensated Absences (Funded)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>d Actual Return on Plan Assets:</b>				
Expected Return on Plan Assets	0.45	0.38	0.22	0.14
Actuarial gain / (loss) on Plan Assets	(0.02)	(0.04)	0.01	0.02
<b>Actual Return on Plan Assets</b>	<b>0.43</b>	<b>0.34</b>	<b>0.23</b>	<b>0.16</b>
<b>e Amount Recognized in the Balance Sheet:</b>				
Present value of Funded defined benefit obligation at the end of the year	9.99	8.71	5.17	4.20
Fair value of Plan Assets at the end of the year	7.98	6.51	3.85	3.07
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(2.01)</b>	<b>(2.20)</b>	<b>(1.32)</b>	<b>(1.13)</b>
<b>f Expenses Recognized in the Statement of Profit &amp; Loss :</b>				
Current Service cost	0.99	0.66	0.41	0.27
Interest Cost	0.16	0.08	0.07	0.07
Net Actuarial (gain) / loss to be recognized	0.87	1.52	0.84	0.81
<b>Expense / (Income) Recognized in Statement of Profit &amp; Loss</b>	<b>2.02</b>	<b>2.26</b>	<b>1.32</b>	<b>1.15</b>
<b>g Balance Sheet Reconciliation:</b>				
Opening Net Liability	2.20	1.14	1.13	0.96
Expenses recognised in Statement of Profit & Loss	1.15	0.74	1.32	1.15
Net Liability Transfer In	-	-	-	-
Expenses recognised in OCI	0.87	1.52	-	-
Employers Contribution	(2.21)	(1.20)	(1.13)	(0.98)
<b>Net Liability / (Assets) Recognized in Balance Sheet</b>	<b>2.01</b>	<b>2.20</b>	<b>1.32</b>	<b>1.13</b>
Current	2.01	1.86	1.32	1.13
Non Current	-	0.34	-	-
<b>h Other Details:</b>				
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.				
<b>i Experience Adjustment</b>				
Actuarial (Gains)/Losses on Obligations - Due to Experience	1.33	0.64	1.13	0.36
Actuarial (Gains)/Losses on Plan Assets - Due to Experience	0.02	0.04	(0.01)	(0.02)
<b>j Projected Contribution for next year</b>	<b>2.55</b>	<b>1.86</b>	<b>1.86</b>	<b>1.54</b>
<b>k Sensitivity analysis for each significant actuarial assumption</b>				

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.

## Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Crore)

Particulars	31.03.2022	31.03.2021
Projected Benefit obligation on current assumption	9.99	8.72
Impact of increase in discount rate by 1%	(1.11)	(0.95)
Impact of decrease in discount rate by 1%	1.34	1.15
Impact of increase in salary escalation rate by 1%	1.34	1.13
Impact of decrease in salary escalation rate by 1%	(1.12)	(0.96)
Impact of increase in rate of employee turnover by 1%	0.01	(0.02)
Impact of decrease in rate of employee turnover by 1%	(0.02)	0.02
The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.		
Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.		

### l Investment details of plan assets

The Plan assets are managed by Insurance group viz. Life Insurance Corporation of India which has invested the funds substantially as under :

Particulars	Gratuity		Leave Encashment	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Insurance Fund	7.99	6.51	3.85	3.08
<b>Total</b>	<b>7.99</b>	<b>6.51</b>	<b>3.85</b>	<b>3.08</b>

### m Maturity Profile

Particulars	Gratuity	
	As at 31.03.2022	As at 31.03.2021
1 <sup>st</sup> Following Year	1.03	0.41
2 <sup>nd</sup> Following Year	0.33	0.33
3 <sup>rd</sup> Following Year	0.31	0.42
4 <sup>th</sup> Following Year	0.22	0.52
5 <sup>th</sup> Following Year	0.29	0.71
Sum of Years 6 to 10	2.91	2.63
Sum of Years 11 and above	25.63	19.77

### 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.

\* ₹ 2,310/-

\*\* ₹ 1,731/-

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## Note : 37 Share-Based Payments

### Equity-settled share option plan

The Company has instituted Employee Stock Option Scheme (ESOP 2021) to designated employees of the Parent and its Subsidiaries. In accordance with the terms of the plan, as approved by shareholders through Postal Ballot on 2<sup>nd</sup> December 2021, designated employees with the Company may be granted options to purchase equity shares.

Each employee share option converts into one equity share of the Company on exercise. Payment of the Exercise Price shall be made by a crossed cheque, or a demand draft drawn in favor of the Company or in such other manner as the Committee may decide from time to time. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time during the set exercise period. The Options not exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options. Options stands cancelled if the employee leaves the Company before the options vest.

Appraisal process for determining the eligibility of the Employees will be based on designation, criticality, high potential, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

### A. The following table sets forth the particulars of the options outstanding as on March 31, 2022 under ESOP 2021:

Scheme	ESOP 2021	
Date of Grant	01-Feb-22	01-Feb-22
Number of options granted	13,761	27,939
Number of options outstanding	13,761	27,939
Exercise price per option	₹ 4,177.00	₹ 4,177.00
Fair value of option on grant date	₹ 1,801.58	₹ 1,920.99
Vesting period	2 years from the date of grant	3 years from the date of grant
Exercise period	upto 31 <sup>st</sup> January, 2026	upto 31 <sup>st</sup> January, 2026

### B. Details of the share options outstanding during the year are as follows:

Particulars	2021-22	
	Number of share options	Weighted average exercise price (in ₹ )
Outstanding at beginning of year	-	-
Granted during the year	41,700	1,881.58
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	41,700	1,881.58
Exercisable at the end of the year	-	-

### C. The aggregate of the estimated fair values of the options granted is ₹ 7.85 Crore. The inputs into the Black Scholes Pricing model are as follows:

Scheme - "ESOP 2021"	2021-22
<b>Vesting 1 - Options</b>	
Weighted average share price per option	4,993.80
Weighted average exercise price per option	4,177.00
Expected volatility	29.79%
Expected life	3.00
Risk-free rate	5.71%

## Notes to Standalone Financial Statements

for the year ended March 31, 2022

Scheme - "ESOP 2021"	2021-22
<b>Vesting 2 - Options</b>	
Weighted average share price per option	4,993.80
Weighted average exercise price per option	4,177.00
Expected volatility	29.79%
Expected life	3.50
Risk-free rate	6.00%

Expected volatility was determined by calculating the historical volatility of the Company's share price on NSE based on the price data for last 12 months up to the date of grant.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The Company has recognised expenses of ₹ 0.17 Crore related to equity-settled share-based payment transactions in FY 2021-22 on a net basis after considering recharge of ₹ 0.32 Crore from subsidiary companies for the grant of shares to the employees of subsidiary companies.

### Note : 38 Financial Ratios :

Ratios	Numerator	Denominator	As at 31.03.2022	As at 31.03.2021	% change
(a) Current Ratio (in times)	Total current assets	Total current liabilities	1.44	1.40	3%
(b) Debt-Equity Ratio (in times)	Debt consists of borrowings and lease liabilities	Total equity	0.31	0.34	-8%
(c) Debt Service Coverage Ratio (Refer Note 1) (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	1.10	3.96	-72%
(d) Return on Equity Ratio (in %)	Profit for the year	Average total equity	23.68%	30.27%	-22%
(e) Inventory turnover ratio (in times)	Revenue from operations	Average Inventory	4.75	5.73	-17%
(f) Trade Receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	6.96	7.43	-6%
(g) Trade payables turnover ratio (in times)	Total purchase	Average trade payables	3.80	3.65	4%
(h) Net capital turnover ratio (in times)	Revenue from operations	Working capital	5.82	7.24	-20%
(i) Net profit ratio (in %)	Profit for the year	Revenue from operations	11.65%	14.84%	-21%
(j) Return on Capital employed (in %)	Profit before tax and finance cost	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	24.11%	27.36%	-12%
(k) Return on investment (Refer Note 2)	Market value at the end of the year - Market value at the beginning of the year	Market value at the beginning of the year	5.79%	71.37%	-92%

**Note:** Explanation for change in ratio by 25%:

1. Reduction of Debt service coverage ratio compared to Financial Year 20-21 is primarily due to repayment of borrowings during the year.
2. Reduction of return on investment is primarily due to market forces.

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## Note : 39 Financial Instruments :

### Note : 39.1 Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity. The primary objective of the Company's capital management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). The Company is not subject to any externally imposed capital requirement.

Particulars	(₹ in Crore)	
	As at 31.03.2022	As at 31.03.2021
(a) Interest bearing loans and borrowings	127.87	105.36
(b) Less: cash and bank balance (including other bank balance)	15.34	31.82
<b>(c) Net debt (a) - (b)</b>	<b>112.53</b>	<b>73.54</b>
(d) Equity share capital	2.92	2.92
(e) Other equity	441.70	354.43
<b>(f) Total equity (d) + (e)</b>	<b>444.62</b>	<b>357.35</b>
<b>(g) Total equity and net debt (c) + (f)</b>	<b>557.15</b>	<b>430.89</b>
<b>(h) Gearing ratio (c)/(g)</b>	<b>20%</b>	<b>17%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

### Note : 39.2 Categories of Financial Instruments :

Particulars	(₹ in Crore)	
	As at 31.03.2022	As at 31.03.2021
<b>Financial Assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
(a) Mandatorily measured		
(i) Investment in mutual fund	0.08	0.67
(b) Designated as at FVTPL		
(i) Investment in equity instruments	0.01	0.00
<b>Measured at amortised cost</b>		
(a) Cash and bank balances	15.34	31.82
(b) Other financial assets at amortised cost		
(i) Trade Receivables	121.01	113.00
(ii) Loans	0.12	0.08
(iii) Others	56.86	38.19
<b>Financial Liabilities :</b>		
<b>Measured at amortised cost</b>		
Borrowing	127.87	105.36
Lease Liabilities	11.97	17.22
Trade Payables	158.83	93.08
Others	18.41	18.68



## Notes to Standalone Financial Statements

for the year ended March 31, 2022

### Note : 39.3 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.

#### 39.3.1 Market Risk management

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates, interest rates and underlying investment prices.

The entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and investment prices.

##### (a) Foreign currency exchange rate risk:

The Company's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Since a major part of the Company's revenue and its costs are in Indian Rupees, any movement in currency rates would not have major impact on the Company's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The carrying amount of Foreign Currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(₹ in Crore)

Particulars	Currency	(Liabilities)/Assets as at	
		31.03.2022	31.03.2021
<b>Trade Payable</b>	USD	(6.54)	(1.40)
	EUR	(0.99)	(2.27)
	CHF	(0.06)	(0.01)
	JPY	-	(1.39)
	SAR	-	(0.15)
<b>Borrowings</b>	USD	(41.29)	(59.37)
<b>Cash &amp; Cash Equivalents</b>	USD	8.24	3.28
	EUR	4.28	5.28
<b>Trade Receivable</b>	USD	15.94	6.79
	EUR	3.18	3.32
	CHF	0.04	-
	GBP	0.12	-

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 ₹ 0.85 Crore (₹ 2.30 Crore) in the Company's net profit for the year ended 31-March-2022 and 31-March-2021 respectively.

##### (b) Interest rate risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Company are principally denominated in Indian Rupees and US dollars with mix of fixed and floating rates of interest. These exposures are reviewed by appropriate levels of management at regular interval. The Company have outstanding borrowings of ₹ 127.87 Crore and ₹ 105.36 Crore at the end of 31-March-2022 and 31-March-21 respectively. As at March 31, 2022, approximately 27.51% of the Company's Borrowings are at fixed rate of interest (March 31, 2021 : 43.66%).

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

The impact of increase/decrease of 50 basis points in interest rates would result in increase/decrease of ₹ 0.64 Crore (₹ 0.53 Crore) in the Company's net profit for the year ended 31-March-2022 and 31-March-2021 respectively.

## (c) Other price risk

The Entity is exposed to price risks arising from its investments which are held for strategic as well as trading purposes.

The sensitivity analysis have been determined based on the exposure to price risks for Investments in equity shares of other companies and mutual funds at the end of the reporting period.

If prices had been 5% higher/lower:

Profit for the year ended 31 March, 2022 would increase/decrease by ₹ 0.01 Crore (for the year ended March 31, 2021 by ₹ 0.03 Crore) as a result of the change in fair value of investments.

## 39.3.2 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.

(₹ in Crore)

Customer Name	Year Ended 31.03.2022		Year Ended 31.03.2021	
	% of total receivables	Amount	% of total receivables	Amount
Larsen & Toubro Limited	10%	15.56	3%	3.94
Deccan Fine Chemicals (I) Pvt. Ltd.	8%	11.72	32%	44.89
Tata Projects Ltd	7%	11.33	0%	0.01
Gmm Pfadler Us Inc	7%	10.04	0%	0.31
UPL Limited	1%	1.76	8%	11.24
Vedanta Limited	5%	7.46	0%	0.11

## Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 193.43 Crore and ₹ 183.77 Crores as at 31-March-2022 and 31-March-2021 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.

## Note : 39.3.3 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.

## Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Crore)

Particulars	Up to 1 year	1 to 5 years	5 years and above
<b>As at 31<sup>st</sup> March, 2022</b>			
Trade Payable	158.83	-	-
Other Financial Liabilities	18.41	-	-
Borrowing	27.25	100.62	-
Lease Liabilities	6.74	5.23	-
<b>Total</b>	<b>211.24</b>	<b>105.85</b>	-

<b>As at 31<sup>st</sup> March, 2021</b>			
Trade Payable	93.08	-	-
Other Financial Liabilities	18.68	-	-
Borrowing	30.16	75.20	-
Lease Liabilities	5.47	11.75	-
<b>Total</b>	<b>147.39</b>	<b>86.95</b>	-

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 Crore)

Particulars	Up to 1 year	1 to 5 years	5 years and above
<b>As at 31<sup>st</sup> March, 2022</b>			
Non-current Investments	0.08	0.01	-
Trade receivables	121.01	-	-
Cash & cash equivalents	14.74	-	-
Bank balances other than above	0.60	-	-
Current financial assets - loans	0.12	-	-
Other financial assets	52.42	4.44	-
<b>Total</b>	<b>188.97</b>	<b>4.45</b>	-

<b>As at 31<sup>st</sup> March, 2021</b>			
Non-current Investments	0.67	0.00*	-
Trade receivables	113.00	-	-
Cash & cash equivalents	28.68	-	-
Bank balances other than above	3.14	-	-
Current financial assets - loans	0.08	-	-
Other financial assets	35.24	2.96	-
<b>Total</b>	<b>180.81</b>	<b>2.96</b>	-

\* Non-current Investments for 1 to 5 years includes Investment in Futura Polyester Ltd ₹ 385 & Investment in Charotar Gas Sahakari Mandali Ltd ₹ 5,000

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## Note : 40 Fair Value Measurements

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

Fair Value of the Entity's financial assets and financial liabilities that are measured at fair value on a recurring basis

(₹ in Crore)

Financial Assets / Financial Liabilities	Fair Value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)
	31.03.2022	31.03.2021		
1. Investments in Mutual Funds (Note 10)	0.08	0.22	Level 1	Quoted bid prices in an active market
2. Investments in equity instruments (Unquoted) (Note 10)	0.01	0.00*	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 10)	-	0.45	Level 1	Quoted bid prices in an active market

\* ₹ 1,33,250/-

**Note 1:** Significant unobservable inputs for Financial Instruments classified under "Level - 3" Fair Value hierarchy are Net Assets of the investee company as on the date of Fair Valuation.

**Note 2:** Reconciliation of Level 3 fair value measurements

(₹ in Crore)

Particulars	Unlisted Equity Instrument
<b>Opening Balance as at 1<sup>st</sup> April, 2020</b>	<b>0.00</b>
Total Gain/(Loss) in statement of Profit & Loss	-
<b>Closing Balance as at 31<sup>st</sup> March, 2021</b>	<b>0.00</b>
<b>Op Balance as at 1<sup>st</sup> April, 2021</b>	<b>0.00</b>
Investment made during the year	0.01
Total Gain/(Loss) in statement of Profit & Loss	-
<b>Closing Balance as at 31<sup>st</sup> March, 2022</b>	<b>0.01</b>

## Note : 41 Related Party Disclosures

### (I) List of Related parties

#### (a) Parties where control exists:

##### (i) Ultimate Holding Company

Pfaunder International S.a.r.l Upto 31/01/2021

##### (ii) Holding Company

Pfaunder Inc. Upto 31/01/2021

#### (b) Subsidiaries

GMM International S.a.r.l w.e.f 20/08/2020

Mavag AG

GMM Pfaunder foundation w.e.f 08/03/2022

Pfaunder GMBH

Edlon PSI Inc.

Pfaunder s.r.l.

Pfaunder Limited

Pfaunder LtdA,

Pfaunder Services Benelux B.V

Pfaunder Normag System GMBH

Pfaunder (Chang Zou) Process Equipment Company Limited

Pfaunder Interseal GmbH

Glasteel Parts and Services, Inc.

Pfaunder Private Limited

Pfaunder S.A. de C.V.

Pfaunder France S.à r.l.

GMM Pfaunder US Inc.

Subsidiary of GMM International S.a.r.l  
w.e.f 01/02/2021

## Notes to Standalone Financial Statements

for the year ended March 31, 2022

### (c) Fellow Subsidiaries :

Pfudler GMBH  
 Pfudler Balfour Ltd.  
 Edlon PSI Inc.  
 Pfudler (Chang Zou) Process Equipment Company Limited  
 Gasteel Parts and Services, Inc.  
 Pfudler s.r.l.  
 Pfudler Limited  
 Pfudler Rochester, USA  
 Pfudler Process Solution Group U.K. Limited  
 Pfudler LtdA, Brazil  
 Normag Labournd Prozees Technik GMBH  
 Interseal Dipl. - Ing. Rofl Schmitz GMBH  
 Pfudler Services Benelux BV  
 Pfudler Normag System GMBH  
 Pfudler Interseal Gmbh

Upto 31/01/2021

### (d) Key Management Personnel :

Mr. Tarak A. Patel	Managing Director	
Mr. Ashok C. Pillai	Chief Operating Officer	upto 31/03/2022
Mr. Aseem Joshi	Chief Executive Officer	w.e.f 08/11/2021
Mr. Manish Poddar	Chief Integration Officer	from 21/10/2020 to 19/01/2021
Mr. Manish Poddar	Chief Financial Officer	w.e.f 20/01/2021
Ms. Mittal Mehta	Company Secretary	
Mr. Jugal Sahu	Chief Financial Officer	Upto 19/01/2021

### (e) Relative of Key Management Personnel :

Mr. Ashok J Patel	Father of Mr. Tarak A. Patel
Mrs. Urmi A. Patel	Mother of Mr. Tarak A. Patel
Mrs. Uttara G. Gelhaus	Sister of Mr. Tarak A. Patel
Mrs. Payal T. Patel	Wife of Mr. Tarak A. Patel

### (f) Other related parties with whom transaction have been taken place during the year :

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.  
 Prestige Tefparts Private Ltd  
 Millars Concrete Technologies Private Ltd  
 Solaris Chemtech Industries Ltd  
 DECBectochem Engineering Pvt. Ltd



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

(II) Transactions with related parties

(₹ in Crore)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries		Key Management Personnel		Relative of Key Management Personnel		Other Related Parties	
	For the Year ended 31.03.2022	For the Year ended 31.03.2021	For the Year ended 31.03.2022	For the Year ended 31.03.2021	For the Year ended 31.03.2022	For the Year ended 31.03.2021	For the Year ended 31.03.2022	For the Year ended 31.03.2021	For the Year ended 31.03.2022	For the Year ended 31.03.2021	For the Year ended 31.03.2022	For the Year ended 31.03.2021
<b>Transactions during the year</b>												
Purchase of goods	-	1.81	10.43	-	2.94	-	-	-	-	-	0.06	-
Sale of goods	-	20.92	65.93	-	19.24	-	-	-	-	-	1.96	0.04
Services received	-	0.17	0.04	-	-	-	-	-	-	-	0.08	0.03
Services provided	-	0.06	-	-	0.01	-	-	-	-	-	-	-
Royalty	-	0.75	4.26	-	-	-	-	-	-	-	-	-
Lease Rent paid	-	-	-	-	-	-	-	-	-	-	6.03	5.81
Remuneration**	-	-	-	-	-	-	14.55*	9.38	-	-	-	-
Dividend paid	-	3.17	-	-	-	-	0.09	0.09	0.40	0.40	0.27	0.27
Directors Sitting Fees	-	-	-	-	-	-	0.73	0.72	-	-	-	-
Investment Made	-	-	0.01	-	-	-	-	-	-	-	-	-
Reimbursement of share based payment Expense	-	-	0.32	-	-	-	-	-	-	-	-	-
<b>Balance outstanding#</b>												
Payables	-	7.45	12.95	-	-	-	7.04	4.93	-	-	1.53	0.02
Receivables	-	5.75	15.61	-	-	-	-	-	-	-	-	-
Advance Received	-	8.76	38.16	-	-	-	-	-	-	-	-	0.45
ESOP Receivable	-	-	0.32	-	-	-	-	-	-	-	-	-
Advance Given	-	-	1.87	-	-	-	-	-	-	-	-	-
Investment	-	151.05	151.06	-	-	-	-	-	-	-	-	-
Deposit outstanding	-	-	-	-	-	-	-	-	-	-	2.42	2.42

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

\* Remuneration of ₹ 0.61 Crore was paid to Managing Director in respect of GMM International s.a.r.l which relates to previous financial year which was approved by shareholders at the Annual General Meeting conducted on August 13, 2021.

\*\* Remuneration disclosed above is approved by Nomination and Remuneration Committee (NRC).

## Notes to Standalone Financial Statements

for the year ended March 31, 2022

(III) Significant Related Party Transactions are as under:

(₹ in Crore)

Nature of transactions	Name of Party	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Transaction during the year</b>			
Purchase of goods	Pfaudler GMBH	2.06	2.94
	Mavag AG	0.75	0.59
	GMM Pfaudler US Inc.	0.07	0.70
	Pfaudler Interseal GmbH	2.19	0.47
	Pfaudler Limited	3.32	0.03
Sale of goods	Mavag AG	29.05	18.36
	GMM Pfaudler US Inc.	23.15	0.31
	Pfaudler S.r.l	4.09	17.31
Services received	Pfaudler S.r.l	-	0.05
	Pfaudler GmbH	-	0.12
	Millars Concrete Technologies Private Ltd	0.08	0.03
	GMM International S.a.r.l	0.03	-
Services provided	Mavag AG	-	0.06
	Pfaudler Inc.	-	0.19
Lease rent paid	Ready Mix Concrete. Ltd.	2.92	2.92
	J V Patel & Co.	2.86	2.72
Royalty	Pfaudler Inc.	-	2.92
	GMM Pfaudler US Inc.	4.26	0.75
Remuneration paid	Mr. Tarak A. Patel	10.69	6.61
	Mr. Aseem Joshi	0.92	-
	Mr. Ashok Pillai	1.42	1.29
	Mr. Jugal Sahu	-	0.65
	Mr. Manish Poddar	1.11	0.49
Dividend paid	Pfaudler Inc	2.39	3.17
Investment Made	GMM International S.a.r.l	-	129.66
	GMM Pfaudler Foundation	0.01	-
Reimbursement of share based payment	GMM International S.a.r.l	0.05	-
	GMM Pfaudler US Inc.	0.06	-
	Pfaudler GmbH	0.06	-

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Crore)

Nature of transactions	Name of Party	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Balances outstanding as at year end</b>			
Payables	GMM Pfaudler US Inc.	7.78	6.65
	Pfaudler Limited	3.32	0.03
Receivables	Mavag AG	1.91	0.84
	Pfaudler s.r.l	0.74	3.17
	GMM Pfaudler US INC	10.04	3.09
ESOP Receivable	GMM International S.a.r.l	0.05	-
	GMM Pfaudler US Inc.	0.06	-
	Pfaudler GmbH	0.06	-
Advance Received Against Order	Mavag AG	7.01	6.53
	GMM Pfaudler US Inc.	30.49	1.72
Deposit outstanding	Ready Mix Concrete Ltd.	1.23	1.23
	J V Patel & Co.	1.14	1.14
Investment	GMM International S.a.r.l	129.66	129.66
	Mavag AG	2.14	2.14
Advance given to supplier	Pfaudler Normag Systems GmbH	1.87	-
<b>Key Managerial Personal</b>			
Payable	Mr. Tarak A. Patel	6.15	4.43
	Mr. Assem Joshi	0.24	-
	Mr. Ashok Pillai	0.40	0.36
	Mr. Manish Poddar	0.20	-
	Mr. Jugal Sahu	-	0.08

## Compensation of Key Managerial Personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Short-term employee benefits	12.52	9.83
Post-employment benefits	2.72	0.26
Other long-term benefits	0.04	0.01
<b>Total</b>	<b>15.28</b>	<b>10.10</b>

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, 2022

### Note : 42 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 ₹ 1.77 Crores is as follows: (₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
a) Amount required to be spent by the Company during the year	1.77	1.21
b) Amount of expenditure incurred		
i) Construction/acquisition of any assets	0.41	-
ii) On the purpose other than (i) above	1.36	1.21
c) Shortfall at the end of the year (a-b)	-	-
d) Total of previous years shortfall if any and reason for shortfall	-	-
e) Nature of CSR activities	Promoting rural healthcare, skill development, environment sustainability and education.	
f) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

### Note : 43 Earnings Per Share

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>The following reflects the profit and share data used in the Basic and Diluted EPS computation:</b>		
Net profit attributable to equity shareholders (₹ in Crore)	94.96	95.10
Weighted average number of Equity Shares in calculating basic EPS (a)	1,46,17,500	1,46,17,500
Add: Effect of Employee stock option (b)	3,146	-
Weighted average number of Equity Shares in calculating Diluted EPS (a+b)	1,46,20,646	1,46,17,500
Face value of Equity Share in ₹	2	2
Earnings per share (Basic) ₹	64.96	65.06
Earnings per share (Diluted) ₹	64.95	65.06

**Note : 44 Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2021-22, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.**

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
(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	2.70	4.41
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	-	-

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**Note : 45 The Company had successfully bid in E-auction sale of asset under IBC, 2016 of HDO Technologies Limited on March 16, 2021 with bid value of H58.46 Crore. The Company has concluded the acquisition on April 23, 2021. following assets and liabilities are recognised as at the date of acquisition:**

(₹ in Crore)

Particulars	Amount
Building	9.67
Right of use assets (Leasehold land)	37.93
Furniture & fixture	0.07
Intangible Assets	0.15
Office Equipment	0.07
Plant & Machinery	9.40
Vehicle	0.06
CWIP	1.11
<b>Total</b>	<b>58.46</b>

**46** The Company publishes standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the audited consolidated financial statements for year ended March 31, 2022.

#### **47 Proposed Dividend:**

The Board of Directors, in their meeting held on May 25, 2022 have recommended a final dividend of ₹ 3 per equity share of face value of ₹ 2 each pre bonus (which translates to ₹ 1 per equity share of face value of ₹ 2 each post bonus), subject to approval by shareholders of the Company.

#### **48 Bonus shares:**

The Board of Directors has approved issuance of Bonus Shares in the ratio of 2 Equity Share of ₹ 2 each for every 1 Equity Share of ₹ 2 each held by the shareholders on the record date, subject to shareholders and regulatory approvals.

**49** The financial statements for the year ended March 31, 2022 were approved for issue by the Board of Directors on May 25, 2022.



## Notes to Standalone Financial Statements

for the year ended March 31, 2022

- 50** The Company has decided to present the results in crore for this financial year onwards. Accordingly, the comparative period presented have been converted from million to crore.
- 51** No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:
- a) Crypto currency or virtual currency
  - b) Undisclosed income
  - c) Struck off Companies
  - d) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
  - e) Relating to borrowed funds:
    - (i) Wilful defaulter
    - (ii) Utilization of borrowed funds
    - (iii) Discrepancy in utilization of borrowings
    - (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
      - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate beneficiaries) or
      - (b) provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.
    - (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
      - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries) or
      - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.
- 52** In compliance with Ministry of Corporate Affairs notification w.r.t to amendment in Schedule III to the Companies Act, 2013 effective from April 01, 2021, figures for comparative previous periods has been regrouped/reclassified, wherever necessary.

For and on behalf of the Board of Directors of GMM Pfaudler Limited

**Dr. S. Sivaram**  
Chairman  
DIN: 00009900  
Mumbai, May 25, 2022

**Tarak Patel**  
Managing Director  
DIN: 00166183  
Mumbai, May 25, 2022

**Manish Poddar**  
Chief Financial Officer  
FCA 098238  
Mumbai, May 25, 2022

**Mittal Mehta**  
Company Secretary  
FCS 7848  
Mumbai, May 25, 2022

# Independent Auditor's Report

## To The Members of GMM Pfaudler Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of GMM Pfaudler Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") ,which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>The Group generates its revenue and profit/loss from long-term customer specific contracts where performance obligations are satisfied over a period of time. These contracts are accounted based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue is thus dependent on estimates in relation to total estimated costs of each contract.</p> <p>This area is considered as key audit matter due to the size of revenue generated from long-term customer specific contracts. Furthermore, accounting for the contracts involves both judgement, in assessing whether the criteria set out in the Ind AS 115 "Revenue from contracts with the customers" have been met, and cost contingencies in these estimates to take in to account specific uncertain risks, or disputed claims against the Company, arising within each contract.</p> <p>These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate.</p>	<p>Principal audit procedure performed</p> <p>As Principal auditors, we had issued written communication to the auditors of the overseas components ('Other Auditors') for audit procedures to be performed by them.</p> <p>The procedures performed by us at the Parent level and the Other Auditors at the Component level, as reported by them, have been provided below:</p> <ul style="list-style-type: none"> <li>• obtained an understanding of the process followed by the Management in determination of the estimates and contract revenue;</li> <li>• performed walkthrough procedures over the process of identification of performance obligation;</li> <li>• tested the design and implementation of internal control over the quantification of the estimates used;</li> <li>• assessed whether management's policies and processes for making these estimates are applied consistently overtime to contracts of a similar nature;</li> <li>• tested sample of contracts for: <ul style="list-style-type: none"> <li>- appropriate identification of performance obligations;</li> <li>- evaluation of reasonability of estimates of costs to complete; and</li> <li>- tested the appropriateness of the timing of recognizing the revenue from the contracts;</li> </ul> </li> </ul> <p>Additionally, audit oversight procedures carried out by us over the work performed by the Other Auditors consisted of :</p> <ol style="list-style-type: none"> <li>a) Reviewing a written summary of the audit procedures performed by the Other Auditors.</li> <li>b) Discussing with the Other Auditors and the management of the component/ Parent to understand the basis of identification of the performance obligations and determination of timing of revenue recognition.</li> </ol>

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's report, Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements

as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities 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 included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent 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 16 subsidiaries, whose financial statements reflect total assets of Rs. 2,280.22 crore as at March 31, 2022, total revenues of Rs. 1886.89 crore and net cash inflows amounting to Rs. 61.04 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

All of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

- (b) We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of Rs. 0.01 crore as at 31<sup>st</sup> March, 2022, total revenues Nil and net cash inflows amounting to Rs. 0.01 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and 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 this subsidiary is based solely on



such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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 March 31, 2022 taken on record by the Board of Directors of the Company, none of the directors of the Parent is disqualified as on March 31, 2022 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of Parent.

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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts and the Group did not have any derivative contracts for which there were any material foreseeable losses.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.
- iv) (a) The Management of the Parent, whose financial statements has been audited under the Act, has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

Parent ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management of the Parent has represented that, to the best of its knowledge and belief, no funds have been received by the Parent from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Parent during the year and until the date of this report is in compliance with Section 123 of the Act.

As stated in Note 48 to the consolidated financial statements, the Board of Directors of the Parent has proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the audit report under section 143 issued by us and the auditors of respective companies included in the consolidated financial statements, we report that CARO is applicable only to the Parent and not to any other company included in the consolidated financial statements. We have not reported any qualification or adverse remark in the CARO report of the Parent.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Hardik Sutaria**

Partner

(Membership No. 116642)

UDIN: 22116642AJOBJH4108

Place: Mumbai

Date: May 25, 2022

# 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, 2022, we have audited the internal financial controls over financial reporting of GMM Pfaudler Limited (hereinafter referred to as "Parent"), as of that date. The Parent has 16 subsidiary companies incorporated outside India and reporting on the adequacy and operating effectiveness on internal financial control over financial reporting is not applicable to those subsidiary companies.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 ("the 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, 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Hardik Sutaria**  
Partner

(Membership No. 116642)  
UDIN: 22116642AJOBJH4108

Place: Mumbai

Date: May 25, 2022

# Consolidated Balance Sheet

as at March 31, 2022

(₹ in Crore)

Particulars	Note	As at 31.03.2022	As at 31.03.2021
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant & equipment	6	381.75	381.13
(b) Right of use assets	7	165.35	138.51
(c) Capital work-in-progress	8 (A)	12.59	4.32
(d) Goodwill		66.18	71.85
(e) Intangible assets	9	388.48	451.73
(f) Intangible assets under development	8 (B)	0.39	0.03
(g) Financial assets			
(i) Investments	10	0.01	-
(ii) Loans	11	1.82	-
(iii) Others	12	4.78	3.20
(h) Deferred tax assets (net)	24	10.18	36.84
(i) Non-current tax assets (net)	13	0.42	-
(j) Other non-current assets	14	6.97	7.44
		<b>1,038.92</b>	<b>1,095.05</b>
<b>(2) Current assets</b>			
(a) Inventories	15	669.53	576.44
(b) Financial assets			
(i) Investments	10	0.08	0.67
(ii) Trade receivables	16	356.23	309.61
(iii) Cash & cash equivalents	17	290.58	243.47
(iv) Bank balances other than (iii) above	17	37.16	48.81
(v) Loans	11	0.42	0.08
(vi) Others	12	88.41	74.21
(c) Other current assets	14	119.07	69.24
Assets classified as held for sale	18	127.17	-
		<b>1,688.65</b>	<b>1,322.53</b>
<b>Total Assets</b>		<b>2,727.57</b>	<b>2,417.58</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	19	2.92	2.92
(b) Other equity	20	524.19	403.32
<b>Equity attributable to equity holders of the parent (A)</b>		<b>527.11</b>	<b>406.24</b>
<b>Non-controlling interests (B)</b>	46	<b>141.28</b>	<b>115.61</b>
<b>Total equity (A+B)</b>		<b>668.39</b>	<b>521.85</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	449.62	442.76
(ii) Lease liabilities	22	109.37	121.56
(b) Provisions	23	365.36	455.55
(c) Deferred tax liabilities (net)	24	48.82	50.81
(d) Other non-current liabilities	25	15.25	12.38
		<b>988.42</b>	<b>1,083.06</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowing	21	55.31	48.91
(ii) Lease liabilities	22	21.50	19.39
(iii) Trade payables due to:			
- Micro & small enterprises	26	2.70	4.41
- Other than micro & small enterprise	26	388.49	297.75
(iv) Others	27	35.22	30.03
(b) Other current liabilities	25	414.83	293.50
(c) Provisions	23	125.74	101.03
(d) Current tax liabilities (net)	13	4.95	17.65
Liabilities directly associated with assets classified as held for sale	18	22.02	-
		<b>1,070.76</b>	<b>812.67</b>
<b>Total Equity &amp; Liabilities</b>		<b>2,727.57</b>	<b>2,417.58</b>

The accompanying notes are an integral part of these financial statements

As per our report of even date annexed

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Hardik Sutaria**  
Partner

Mumbai  
Date: May 25, 2022

For and on behalf of the Board of Directors of GMM Pfaunder Limited

**Dr. S. Sivaram**  
Chairman  
DIN: 00009900  
Mumbai, May 25, 2022

**Manish Poddar**  
Chief Financial Officer  
FCA 098238  
Mumbai, May 25, 2022

**Tarak Patel**  
Managing Director  
DIN: 00166183  
Mumbai, May 25, 2022

**Mittal Mehta**  
Company Secretary  
FCS 7848  
Mumbai, May 25, 2022



# Consolidated Statement of Profit & Loss

for the year ended March 31, 2022

(₹ in Crore)

Particulars	Note	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Income:</b>			
Revenue from operations	28	2,540.57	1,001.12
Other income	29	6.73	23.48
<b>Total Income</b>		<b>2,547.30</b>	<b>1,024.60</b>
<b>Expenses:</b>			
Cost of materials consumed	30	1,044.53	386.24
Changes in inventories of finished goods and work in progress	31	(30.63)	61.33
Employee benefits expense	32	713.40	207.47
Finance cost	33	24.60	10.18
Depreciation and amortisation expense	6, 7 & 9	132.62	50.48
Labour charges		72.71	46.98
Other expenses	34	456.69	160.34
<b>Total Expense</b>		<b>2,413.92</b>	<b>923.02</b>
<b>Profit before exceptional items and tax</b>		<b>133.38</b>	<b>101.58</b>
Exceptional items	49	-	33.52
<b>Profit before tax</b>		<b>133.38</b>	<b>68.06</b>
<b>Tax expenses:</b>			
Current tax		58.00	30.60
Excess provision for tax relating to prior years		(0.58)	(3.95)
Deferred tax		0.60	(22.14)
		<b>58.02</b>	<b>4.51</b>
<b>Profit for the year</b>		<b>75.36</b>	<b>63.55</b>
<b>Other Comprehensive Income</b>			
(A) Items that will not be reclassified to profit or loss			
(i) Actuarial gain/(loss) on gratuity and pension obligations		78.93	47.10
(ii) Income tax relating to items that will not be reclassified to profit or loss		(20.31)	(12.12)
(B) Items that may be reclassified to profit or loss			
(i) Exchange difference in translating the financial statements of foreign components		14.56	(13.08)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Other Comprehensive Income (A + B)</b>		<b>73.18</b>	<b>21.90</b>
<b>Total Comprehensive Income for the year</b>		<b>148.54</b>	<b>85.45</b>
<b>Profit attributable to:</b>			
Equity Holders of the Parent		85.05	73.44
Non-controlling interests		(9.69)	(9.89)
<b>Other Comprehensive Income attributable to:</b>			
Equity Holders of the Parent		42.63	11.21
Non-controlling interests		30.55	10.69
<b>Total Comprehensive Income attributable to:</b>			
Equity Holders of the Parent		127.68	84.65
Non-controlling interests		20.86	0.80
<b>Earnings Per Equity Share:</b>			
Basic	43	58.18	50.24
Diluted		58.17	50.24
Basis of preparation, measurement and significant accounting policies	3, 4 & 5		

As per our report of even date annexed

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Hardik Sutaria**  
Partner

Mumbai  
Date: May 25, 2022

For and on behalf of the Board of Directors of GMM Pfaudler Limited

**Dr. S. Sivaram**  
Chairman  
DIN: 00009900  
Mumbai, May 25, 2022

**Manish Poddar**  
Chief Financial Officer  
FCA 098238  
Mumbai, May 25, 2022

**Tarak Patel**  
Managing Director  
DIN: 00166183  
Mumbai, May 25, 2022

**Mittal Mehta**  
Company Secretary  
FCS 7848  
Mumbai, May 25, 2022

# Consolidated Statement of Cash Flow

for the year ended March 31, 2022

(₹ in Crore)

Particulars	Note	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Profit before taxation</b>		133.38	68.06
<b>Adjustments for:</b>			
Depreciation and amortisation expense		132.62	50.48
Net gain on disposal of property, plant & equipment		(0.50)	(0.37)
Net loss on current investments designated as fair value through profit or loss		0.14	0.03
Net loss on sale of current investments		-	0.09
Interest income		(0.22)	(3.30)
Interest and financial charges		24.60	10.18
Share-based payment to employees		0.49	-
Provision for doubtful debts, liquidated damages and advances		0.51	12.03
Provision for warranty		0.19	1.99
Unrealised foreign exchange fluctuation loss/(gain)		21.67	(7.38)
Actuarial gain on gratuity and pension obligation reclassified in OCI		78.93	45.30
<b>Operating profit before working capital changes</b>		<b>391.81</b>	<b>177.11</b>
<b>Adjustments for :</b>			
(Increase)/Decrease in Inventories		(122.07)	61.40
(Increase) in trade receivable, loans and other financial & non financial assets		(131.60)	(56.36)
Increase/(Decrease) in trade payables, provisions and other financial & non financial liabilities		170.11	(3.92)
<b>Cash generated from operations</b>		<b>308.25</b>	<b>178.23</b>
Direct taxes paid		(71.86)	(21.51)
<b>Net cash generated from operating activities</b>	A	<b>236.39</b>	<b>156.72</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment, including intangible assets		(131.66)	(79.10)
Payment towards acquisition of business		-	(23.77)
Purchase of non-current investments		(0.01)	-
Proceeds from sale of property, plant and equipment		2.89	1.56
Proceeds from sale of current investments		0.45	35.34
Fixed deposits placed with banks		-	(3.29)
Proceeds from fixed deposits		11.55	-
Interest received		0.22	3.30
<b>Net cash used in investing activities</b>	B	<b>(116.56)</b>	<b>(65.96)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from short term borrowings		69.55	24.47
Repayment of short term borrowings		(84.39)	(21.23)
Proceeds from long term borrowings		61.40	128.63
Repayment of long term borrowings		(51.18)	(1.12)
Interest paid		(18.79)	(8.12)
Dividend paid		(7.20)	(7.30)
Payment of lease liability		(24.71)	(10.40)
<b>Net cash (used in)/generated from financing activities</b>	C	<b>(55.32)</b>	<b>104.93</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	A+B+C	<b>64.51</b>	<b>195.69</b>

## Consolidated Statement of Cash Flow (contd.)

for the year ended March 31, 2022

(₹ in Crore)

Particulars	Note	Year Ended 31.03.2022	Year Ended 31.03.2021
Cash and cash equivalents, at the beginning of the year		243.47	47.78
Cash and bank balances included in assets held for sale (Refer Note 18)		(17.40)	-
Cash and cash equivalents, at the end of the year		<b>290.58</b>	<b>243.47</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>			
<b>Cash and cash equivalent</b>			
Cash and stamps on hand		0.21	0.08
Balances with banks			
- In current accounts		290.30	230.39
- In deposit accounts with maturity less than three months		0.07	13.00
<b>Total</b>		<b>290.58</b>	<b>243.47</b>

Disclosure as per para 44A as set out in Ind AS 7 on cash flow statement under companies (Indian Accounting Standards) Rules, 2015 (as amended):

Particulars of liabilities arising from financing activities	Note No.	Year Ended 31.03.2021	Net cash flows	Non cash changes		Year Ended 31.03.2022
				Other changes*	Impact due to Ind AS 116	
<b>Borrowings:</b>						
Long term borrowings including current maturities of long term borrowing	21	476.83	10.22	17.89	-	504.94
Short term borrowings	21	14.84	(14.84)	-	-	-
Interest accrued on borrowings	27	1.64	(1.64)	1.44	-	1.44
Lease liabilities	22	140.95	(24.71)	2.93	11.71	130.88

\* The same relates to amount charged in Statement of Profit & Loss.

The statement of Cash Flow has been prepared under the "Indirect Method" set out in Ind AS 7 Statement of Cash Flow.

As per our report of even date annexed

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Hardik Sutaria**  
Partner

Mumbai  
Date: May 25, 2022

For and on behalf of the Board of Directors of GMM Pfaudler Limited

**Dr. S. Sivaram**  
Chairman  
DIN: 00009900  
Mumbai, May 25, 2022

**Manish Poddar**  
Chief Financial Officer  
FCA 098238  
Mumbai, May 25, 2022

**Tarak Patel**  
Managing Director  
DIN: 00166183  
Mumbai, May 25, 2022

**Mittal Mehta**  
Company Secretary  
FCS 7848  
Mumbai, May 25, 2022

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

(I) Equity Share Capital		Particulars		Amount		(₹ in Crore)	
Balance at March 31, 2020				2.92			
Changes in equity share capital during the year				-			
Balance at March 31, 2021				2.92			
Balance at April 1, 2021				2.92			
Changes in equity share capital during the year				-			
Balance at March 31, 2022				2.92			

(II) Other Equity :		Particulars		Total		(₹ in Crore)	
Capital Reserve	Securities Premium	General Reserve	Cash Reserve	Subsidiary Reserve	Retained Earnings	Share options outstanding	Foreign Currency Translation Reserve
(13.87)	14.93	21.93	0.07	278.58	24.49	326.13	Attributable to the equity holders of the parent
-	-	-	-	73.44	-	73.44	Non-controlling interest
-	-	-	-	-	(7.99)	(9.89)	
-	-	-	-	-	(7.99)	(5.09)	
-	-	-	-	19.20	-	19.20	
-	-	-	-	-	-	15.78	
-	-	-	-	-	-	34.98	
<b>Total comprehensive income for the year</b>				<b>92.64</b>	<b>(7.99)</b>	<b>0.80</b>	
Payment of dividends				(7.31)			
Adjustment pursuant to acquisition of subsidiaries				(0.15)		113.87	
Add/(Less): Other adjustments				-		0.94	
<b>Balance at March 31, 2021</b>	<b>14.93</b>	<b>21.93</b>	<b>0.07</b>	<b>363.76</b>	<b>16.50</b>	<b>115.61</b>	<b>518.93</b>
<b>Balance at April 1, 2021</b>	<b>14.93</b>	<b>21.93</b>	<b>0.07</b>	<b>363.76</b>	<b>16.50</b>	<b>115.61</b>	<b>518.93</b>
Profit for the year				85.05		(9.69)	75.36
Movement during the year in Foreign Currency Translation Reserve				-	9.22	5.34	14.56
Other comprehensive income for the year, net of income tax				33.42		25.20	58.62
<b>Total comprehensive income for the year</b>				<b>118.47</b>	<b>9.22</b>	<b>20.85</b>	<b>148.53</b>
Less: Payment of dividends				(7.31)			(7.31)
Add/(Less): Transfer to general reserve				(2.11)			
Add: Issue of Shares under Employee Stock Option Scheme				-	0.49	-	0.49
Add/(Less): Other adjustments				-	-	4.82	4.82
<b>Balance at March 31, 2022</b>	<b>14.93</b>	<b>24.04</b>	<b>0.07</b>	<b>472.81</b>	<b>25.72</b>	<b>141.28</b>	<b>665.47</b>

As per our report of even date annexed

For and on behalf of the Board of Directors of GMM Pfaudler Limited

**Dr. S. Sivaram**  
Chairman  
DIN: 00009900  
Mumbai, May 25, 2022

**Tarak Patel**  
Managing Director  
DIN: 00166183  
Mumbai, May 25, 2022

**Hardik Sutaria**  
Partner  
Mumbai  
Date: May 25, 2022

**Manish Poddar**  
Chief Financial Officer  
FCA 098238  
Mumbai, May 25, 2022

**Mittal Mehta**  
Company Secretary  
FCS 7848  
Mumbai, May 25, 2022

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 1 Corporate information

GMM Pfaudler Limited (the Company/Parent), together with its subsidiaries are pioneers in manufacturing of corrosion resistant technologies, system and related services catering to the specific needs of customers in the chemical, pharmaceutical and allied industries. The group also manufactures fluoro-polymer products and other chemical process equipment such as agitated nutsche filters, filter driers, wiped film evaporators and mixing systems. The equity shares of the Company are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

The consolidated financial statements comprises the financial statements of the Parent Company GMM Pfaudler Limited and its subsidiary companies (together referred to as "Group").

The subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of Company	Country of Incorporation	% of Holding	
			Current Year	Previous Year
1	Mavag AG	Switzerland	100%	100%
2	GMM International S.a.r.l	Luxembourg	54%	54%
3	Pfaudler GmbH	Germany	54%	54%
4	Normag Labor und Prozesstechnik GmbH	Germany	54%	54%
5	Pfaudler Interseal GmbH	Germany	54%	54%
6	Pfaudler France S.à r.l.	France	54%	54%
7	Pfaudler s.r.l.	Italy	54%	54%
8	Pfaudler Limited	UK	54%	54%
9	Pfaudler services Benelux B.V.	Netherlands	54%	54%
10	Pfaudler Private Limited	Singapore	54%	54%
11	Pfaudler Ltda.	Brazil	54%	54%
12	Pfaudler SA de CV	Mexico	54%	54%
13	Pfaudler (Chang Zhou) Process Equipment Company Limited	China	54%	54%
14	GMM Pfaudler US Inc	USA	54%	54%
15	Edlon, Inc.	USA	54%	54%
16	Glasteel Parts and Services, Inc.	USA	54%	54%
17	GMM Pfaudler Foundation (w.e.f. March 8, 2022)	India	100%	NIL

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, 2022.

## 2 Statement of compliance

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

## 3 Basis of Preparation of Consolidated Financial Statements

### a) Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. (Refer Note no. 4.i1)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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 116, 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 Crore.

## 4 Significant Accounting Policies

### a) Basis of Consolidation:

The consolidation of the accounts of the holding Company with the subsidiaries is prepared in accordance with Ind AS 110 – 'Consolidated Financial Statements'.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Profit or loss and each component of other comprehensive income is attributable to owners of the Company only. The financial statements of the parent Company and its subsidiaries are consolidated on line-by-line basis by adding together like items of assets, liabilities, income and expenses. All intra-group balances, intra-group transactions and unrealized profits or losses in intra-group balances are fully eliminated.

### b) Use of Estimates:

The preparation of consolidated financial statements are in conformity with the recognition and measurement principles of Ind AS which requires management to make critical judgments, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

1. Useful lives of property, plant and equipment (Refer Note No. 4.e)
2. Provision for old and obsolete inventory (Refer Note No. 4.h)
3. Provision for Warranty Expense (Refer Note No. 4.k)
4. Employee benefits (Refer Note No. 4.l)
5. Expense Provisions & contingent liabilities (Refer Note No. 4.o)
6. Provision for Doubtful Trade Receivables (Refer Note No. 4.i7)
7. Valuation of deferred tax assets (Refer Note No. 4.p)
8. Impairment of Goodwill (Refer Note No. 4.d)
9. Lease (Refer Note No. 4. n)

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 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.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## e) Depreciation and Amortisation, Useful life of Property, Plant & Equipment and Intangible Assets

### Depreciation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Name of Assets	Useful life
A) Burning Scaffold and Pilot Plant (included under Plant & Machinery)	3 years
B) Telephones (included under Office Equipment)	3 years
C) Vehicles	6 years
D) Solar Power Plant	10 years

Items costing less than ₹ 5000/- are fully depreciated in the year of put to use/purchase.

Leasehold improvements are amortized equally over the period of lease.

### Amortisation:

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Name of Assets	Useful life
A) Computer Software	3-6 years
B) Technical Knowhow	3 years
C) Backlog	1 years
D) Process Knowhow	10 years
E) Non- Compete agreement	3 years
F) Technology	20 years
G) Trademark	20 years
H) Customer Relationships	20 years
I) Other Intangibles (Order backlog and POC)	8 -17 months

## f) Asset Impairment

The Group assesses at each reporting date using external and internal sources, whether there is an indication that an asset may be impaired.

An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

## g) Foreign Exchange Transactions and Translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognized as income or expense of the period in which they arise. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing rate. The resultant exchange rate differences are recognized in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction.

## Foreign Operations

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

## h) Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined on the weighted average method and is net of tax credits and after providing for obsolescence and other losses. Cost includes all charges in bringing the goods to their existing location and conditions, including various tax levies (other than those subsequently recoverable from the tax authorities), transit insurance and receiving charges. Cost of work-in-progress and finished goods include cost of direct materials consumed, labour cost and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Net realizable value is the contracted selling value less the estimated costs of completion and the estimated costs necessary to make the sales.

## i) Financial Instruments

### i1) Investments

Investments in mutual funds are primarily held for the Group's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

The Group has not made any irrevocable election to present subsequent changes in the fair value of equity investments, not held for trading, in other comprehensive income as the same are classified as fair value through profit or loss.

### i2) Trade Receivables

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognized at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

### i3) Cash & Cash Equivalents

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

### i4) Trade Payables

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

### i5) Loan & Borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

### i6) Other financial assets and liabilities

Other non-derivative financial instruments are initially recognized at fair value and subsequently measured at amortized costs using the effective interest method.

### i7) De-recognition of financial assets and liabilities

The Group derecognizes a financial asset when the contractual right to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction which substantially all the risk and rewards of ownership of the financial asset are transferred. If the Group retains substantially all the risk and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired; the difference between the carrying amount of derecognized financial liability and the consideration paid is recognized as profit or loss.

### i8) Impairment of financial assets

At each balance sheet date, the Group assesses whether a financial asset is to be impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Group measures the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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 progress towards complete satisfaction of the performance obligation of the contract at the reporting date. The progress is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the costs incurred up to the end of reporting period and costs to complete as a percentage of total estimated costs in the contract.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and Performance penalty, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Unbilled Revenues are recognised when there is excess of revenue earned over billings on contracts.

### Other Income:

Dividend income is recognized when the right to receive the same is established.

Interest income is recognized on accrual basis.

## k) Product Warranty Expenses

Provision is made in the consolidated financial statements for the estimated liability on account of costs that may be incurred on products sold under warranty. The estimates for the costs to be incurred for providing free service under warranty are determined based on historical information, past experience, average cost of warranty claims that are provided for in the year of sale.

## l) Employee Benefits

Employee benefits include provident fund, superannuation fund, family pension fund, medical plan, gratuity fund, compensated absences, Partial or Early Retirement and Incentives.

### Defined contribution plans

The Group's contribution to provident fund, family pension fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

### Defined benefit plans

For defined benefit plans in the form of gratuity fund, pension fund, Seniority plan and Medical plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit & loss. Past service cost is recognised in statement of profit & loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in statement of profit & loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

## **Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, sick leave and other short term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of long-term employee benefits in form of compensated absences are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

## **Share-based payment transactions of the group**

Certain eligible Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when

the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be nonvesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. The Parent raises recharge invoices to subsidiaries for the shares granted to the respective subsidiaries's employees based on the fair value of the options determined on grant date and netted of against the share based payment expense.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## m) Operating Expenses

Operating Expenses are charged to statement of Profit and Loss on accrual basis.

## n) Leases

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

## o) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability is not recognized but its existence is disclosed in the financial statements. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable in the financial statements.

## p) Taxation

Tax expense comprise of current and deferred tax. Current income tax comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in jurisdictions where such operations are domiciled.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Any deferred tax asset or liability arising from deductible or taxable temporary differences in respect of unrealized interCompany profit or loss on inventories held by the Group in different tax jurisdictions is recognised using the tax rate of jurisdiction in which such inventories are held.

Current and deferred tax are recognised in statement of profit & loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income Tax Act regulation are recognized in statement of changes in equity as part of associated dividend payment.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the Group intends to settle the asset and liability on a net basis. The Group offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

## q) Segment Reporting

The Group identifies segments as operating segments whose operating results are regularly reviewed by the Chief Operating Decision Maker [CODM] to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The group has classified geopgrahy (India and Overseas) as reportable segments which is in line with Ind AS 108, Operating Segments.

All reporting segments within the group follow a common accounting policies. Segment assets include all operating assets used by the business segments and consist principally of property plant and equipment, intangible assets, debtors and inventories. Segment liabilities include the operating liabilities that result from operating activities of the business segment. 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

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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) Non-current assets held for sale

The Group classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.
- Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to

sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

- An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in the fair value less cost to sell of an assets but not in excess of the cumulative impairment loss previously recognised, A gain or loss previously not recognised by the date of sale of the non-current assets is recognised on the date of de-recognition. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

## t) 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.

## u) 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.

## v) 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

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

## 5 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

### Ind AS 16 - Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its standalone financial statements.

### Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022, although early adoption is permitted. The Group has evaluated the

amendment and there is no impact on its standalone financial statements.

### Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" - Interest rate Benchmark Reform Phase 2:

- The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:
- Changes to contractual cash flows - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform will not result in an immediate gain or loss in the profit and loss statement.
- Hedge accounting - The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded. The amendments do not have significant impact on the financial statements.

### Ind AS 103 "Business Combination"- Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103 - Business Combinations. The Group does not expect the amendment to have any significant impact in its financial statements.



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Crore)

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION				Assets classified as held for sale (Refer Note 18)	NET BLOCK			
	As on 01.04.2021	Acquisitions through business combination	Additions	Deductions	Foreign currency translation	As on 31.03.2022	Upto 01.04.2021	For the Year			On De-uctions	Foreign currency translation	Upto 31.03.2022
Freehold land	54.35	-	-	-	0.39	54.74	-	-	-	-	-	0.51	54.23
Leasehold improvement	34.55	-	0.92	-	0.07	35.54	3.63	3.50	-	-	7.13	-	28.41
Buildings	118.07	-	21.29	0.09	1.50	140.77	7.81	6.67	0.05	(0.01)	14.42	14.21	112.14
Plant & machineries	198.92	-	38.63	6.24	1.40	232.71	33.83	33.58	4.06	0.29	63.64	4.76	164.31
Office equipment	18.58	-	6.34	3.18	(0.91)	20.83	4.21	4.78	3.26	0.06	5.79	0.20	14.84
Furniture & fixtures	2.67	-	1.83	0.14	1.05	5.41	0.80	1.34	0.13	0.01	2.02	-	3.39
Vehicles	7.70	-	1.91	1.18	0.10	8.53	3.43	1.55	0.94	0.06	4.10	-	4.43
<b>Total</b>	<b>434.84</b>	<b>-</b>	<b>70.92</b>	<b>10.83</b>	<b>3.60</b>	<b>498.53</b>	<b>53.71</b>	<b>51.42</b>	<b>8.44</b>	<b>0.41</b>	<b>97.10</b>	<b>19.68</b>	<b>381.75</b>

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION				Assets classified as held for sale	NET BLOCK			
	As on 01.04.2020	Acquisitions through business combination (Refer Note 47)	Additions	Deductions	Foreign currency translation	As on 31.03.2021	Upto 01.04.2020	For the Year			On De-uctions	Foreign currency translation	Upto 31.03.2021
Freehold land	0.23	16.12	38.28	-	(0.28)	54.35	-	-	-	-	-	-	54.35
Leasehold improvement	7.56	27.69	0.15	-	(0.85)	34.55	1.79	1.84	-	-	3.63	-	30.92
Buildings	31.06	83.79	4.84	-	(1.62)	118.07	2.96	4.86	-	(0.01)	7.81	-	110.26
Plant & machineries	63.71	114.93	24.49	3.13	(1.08)	198.92	21.20	13.07	1.97	1.53	33.83	-	165.09
Office equipment	6.36	9.23	2.84	0.18	0.33	18.58	2.10	1.76	0.18	0.53	4.21	-	14.37
Furniture & fixtures	1.65	0.56	0.50	0.04	-	2.67	0.54	0.30	0.04	-	0.80	-	1.87
Vehicles	7.68	0.01	0.47	0.36	(0.10)	7.70	2.49	1.48	0.33	(0.21)	3.43	-	4.27
<b>Total</b>	<b>118.25</b>	<b>252.33</b>	<b>71.57</b>	<b>3.71</b>	<b>(3.60)</b>	<b>434.84</b>	<b>31.08</b>	<b>23.31</b>	<b>2.52</b>	<b>1.84</b>	<b>53.71</b>	<b>-</b>	<b>381.13</b>

## Notes:

1. There are no adjustment to Property, Plant & Equipment on account of borrowing costs and exchange differences.
2. Refer Note 21 for details of charge/pledge on above assets.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Crore)

CLASS OF ASSETS	GROSS BLOCK				AMORTISATION				NET BLOCK				
	As on 01.04.2021	Acquisitions through business combination	Additions	Deductions	Foreign currency translation	As on 31.03.2022	Upto 01.04.2021	For the year	On De-uctions	Foreign currency translation	Upto 31.03.2022	Assets classified as held for sale (Refer Note 18)	As on 31.03.2022
Freehold land	0.25	-	-	-	-	0.25	-	0.05	-	-	0.05	-	0.20
Land and buildings	137.93	-	44.94	0.67	(0.02)	182.18	12.64	18.20	0.29	(0.15)	30.40	-	151.78
Plant & machineries	1.54	-	3.65	-	0.05	5.24	0.05	0.69	-	(0.01)	0.73	1.14	3.37
Office equipment	2.66	-	0.19	-	(0.02)	2.83	0.13	0.80	-	(0.02)	0.91	0.11	1.81
Vehicles	9.53	-	3.47	0.36	0.03	12.67	0.58	4.13	0.19	(0.04)	4.48	-	8.19
<b>Total</b>	<b>151.91</b>	<b>-</b>	<b>52.25</b>	<b>1.03</b>	<b>0.04</b>	<b>203.17</b>	<b>13.40</b>	<b>23.87</b>	<b>0.48</b>	<b>(0.22)</b>	<b>36.57</b>	<b>1.25</b>	<b>165.35</b>

CLASS OF ASSETS	GROSS BLOCK				AMORTISATION				NET BLOCK				
	As on 01.04.2020	Acquisitions through business combination (Refer Note 47)	Additions	Deductions	Foreign currency translation	As on 31.03.2021	Upto 01.04.2020	For the Year	On De-uctions	Foreign currency translation	Upto 31.03.2021	Assets classified as held for sale	As on 31.03.2021
Freehold land	-	0.10	0.15	-	-	0.25	-	0.01	-	(0.01)	-	-	0.25
Land and buildings	27.45	115.46	0.57	2.00	(3.55)	137.93	5.45	8.32	1.10	(0.03)	12.64	-	125.29
Plant & machineries	-	1.33	0.21	-	-	1.54	-	0.05	-	-	0.05	-	1.49
Office equipment	-	2.02	0.69	-	(0.05)	2.66	-	0.13	-	-	0.13	-	2.53
Vehicles	-	8.12	1.65	0.06	(0.18)	9.53	-	0.60	0.01	(0.01)	0.58	-	8.95
<b>Total</b>	<b>27.45</b>	<b>127.03</b>	<b>3.27</b>	<b>2.06</b>	<b>(3.78)</b>	<b>151.91</b>	<b>5.45</b>	<b>9.11</b>	<b>1.11</b>	<b>(0.05)</b>	<b>13.40</b>	<b>-</b>	<b>138.51</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## Note : 8 A. Capital work in progress

(₹ in Crore)

	As at 31.03.2022	As at 31.03.2021
Capital work in progress	12.59	4.32
<b>Total Capital work in progress</b>	<b>12.59</b>	<b>4.32</b>

### (a) Capital work in progress ageing schedule

Particulars	As at 31.03.2022					As at 31.03.2021				
	Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in progress	11.20	0.63	0.76	-	12.59	2.28	1.60	-	-	3.88
Projects temporarily suspended	-	-	-	-	-	-	-	-	0.44	0.44
<b>Total</b>	<b>11.20</b>	<b>0.63</b>	<b>0.76</b>	<b>-</b>	<b>12.59</b>	<b>2.28</b>	<b>1.60</b>	<b>-</b>	<b>0.44</b>	<b>4.32</b>

(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, the project wise details of when the project is expected to be completed is given below:

Particulars	As at 31.03.2022					As at 31.03.2021				
	To be completed in				Total	To be completed in				Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
Buildings	3.00	-	-	-	3.00	1.26	0.28	-	-	1.54
Plant & machineries	7.08	-	-	-	7.08	0.61	0.89	-	-	1.50
<b>Total</b>	<b>10.08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.08</b>	<b>1.87</b>	<b>1.17</b>	<b>-</b>	<b>-</b>	<b>3.04</b>

## B. Intangible assets under development

### (a) Intangible assets under development ageing schedule

Particulars	As at 31.03.2022					As at 31.03.2021				
	Amount in Intangible for a period of				Total	Amount in Intangible for a period of				Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
Projects in progress	-	0.39	-	-	0.39	-	0.03	-	-	0.03
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

(b) Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, the project wise details of when the project is expected to be completed is given below:

Particulars	As at 31.03.2022				As at 31.03.2021			
	To be completed in				To be completed in			
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years
Computer Software	-	-	-	-	0.03	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Crore)

CLASS OF ASSETS	GROSS BLOCK				AMORTISATION				NET BLOCK				
	As on 01.04.2021	Acquisitions through business combination	Additions	Deductions	Foreign currency translation	As on 31.03.2022	Upto 01.04.2021	For the Year	On Deductions	Foreign currency translation	Upto 31.03.2022	Assets classified as held for sale (Refer Note 18)	As on 31.03.2022
Computer software	13.47	-	0.90	-	0.20	14.57	8.11	1.93	-	0.17	10.21	-	4.36
Technical knowhow	0.22	-	-	-	-	0.22	0.13	0.02	-	-	0.15	-	0.07
Backlog	39.74	-	0.20	0.08	1.01	40.87	8.81	27.96	0.08	0.57	37.26	-	3.61
Process knowhow	12.07	-	-	-	-	12.07	2.33	6.42	-	-	8.75	-	3.32
Non- compete agreement	15.65	-	-	-	-	15.65	4.35	-	-	-	4.35	-	11.30
Customer relationships	115.61	-	-	-	3.99	119.60	1.02	6.62	-	0.09	7.73	11.36	100.51
Trade marks	282.07	-	-	-	6.82	288.89	2.35	14.38	-	0.12	16.85	6.73	265.31
<b>Total</b>	<b>478.83</b>	<b>-</b>	<b>1.10</b>	<b>0.08</b>	<b>12.02</b>	<b>491.87</b>	<b>27.10</b>	<b>57.33</b>	<b>0.08</b>	<b>0.95</b>	<b>85.30</b>	<b>18.09</b>	<b>388.48</b>

CLASS OF ASSETS	GROSS BLOCK				AMORTISATION				NET BLOCK				
	As on 01.04.2020	Acquisitions through business combination (Refer Note 47)	Additions	Deductions	Foreign currency translation	As on 31.03.2021	Upto 01.04.2020	For the Year	On Deductions	Foreign currency translation	Upto 31.03.2021	Assets classified as held for sale	As on 31.03.2021
Computer software	9.19	-	2.31	-	1.97	13.47	4.42	1.69	-	2.00	8.11	-	5.36
Technical knowhow	0.22	-	-	-	-	0.22	0.11	0.02	-	-	0.13	-	0.09
Backlog	0.43	39.43	0.48	0.14	(0.46)	39.74	0.40	8.56	0.14	(0.01)	8.81	-	30.93
Process knowhow	12.07	-	-	-	-	12.07	1.12	1.21	-	-	2.33	-	9.74
Non- compete agreement	3.76	-	11.89	-	-	15.65	1.17	3.18	-	-	4.35	-	11.30
Customer relationships	-	117.40	-	-	(1.79)	115.61	-	1.03	-	(0.01)	1.02	-	114.59
Trade marks	-	287.36	-	-	(5.29)	282.07	-	2.37	-	(0.02)	2.35	-	279.72
<b>Total</b>	<b>25.67</b>	<b>444.19</b>	<b>14.68</b>	<b>0.14</b>	<b>(5.57)</b>	<b>478.83</b>	<b>7.22</b>	<b>18.06</b>	<b>0.14</b>	<b>1.96</b>	<b>27.10</b>	<b>-</b>	<b>451.73</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## Depreciation and Amortisation Expense

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Depreciation of Property, plant and equipment	51.42	23.31
Amortisation of Intangible assets	57.33	18.06
Amortisation of Right to Use Assets	23.87	9.11
<b>Total depreciation and amortisation expense</b>	<b>132.62</b>	<b>50.48</b>

## Note : 10 Investments

### (i) Non Current

(₹ in Crore)

Particulars	Face value (₹)	Qty As At 31.03.2022	Amount As At 31.03.2022	Qty As At 31.03.2021	Amount As At 31.03.2021
<b>Shares in Co-operative Societies (unquoted) (at fair value)</b>					
Charotar Gas Sahakari Mandli Ltd #	500	10	0.00	10	0.00
<b>Equity Shares (unquoted) (at fair value)</b>					
Futura Polyster Ltd *	10	100	0.00	100	0.00
Mana Effluent Treatment Plant Limited	1000	50	0.01		-
			<b>0.01</b>		<b>0.00</b>
<b>Total unquoted investments</b>			<b>0.01</b>		<b>0.00</b>

(\* Unit 100 and Value ₹385/-)

(# Unit 10 and Value ₹5000/-)

### (ii) Current

Particulars	Face value (₹)	No. of Units As At 31.03.2022	Amount As At 31.03.2022	No. of Units As At 31.03.2021	Amount As At 31.03.2021
<b>In Units of Mutual Funds, Unquoted (at fair value)</b>					
Aditya Birla Sun Life Credit Risk Fund - Growth Regular - (Segregated Portfolio 1)	10	50,47,117	0.08	50,47,117	0.21
Nippon India Strategic Debt Fund - Segregated Portfolio 1 - Growth Plan	10	-	-	42,43,461	0.01
<b>Government Securities (quoted) (at fair value)</b>					
Indian Railway Finance Corp. Bonds	1000	-	-	4,350	0.45
			<b>0.08</b>		<b>0.67</b>

### Category wise classification of investments - as per Ind AS 109

Particulars	As At 31.03.2022	As At 31.03.2021
<b>Financial assets carried at fair value through profit or loss (FVTPL)</b>		
i) Mandatorily measured at FVTPL (Investment in mutual fund)	0.08	0.67
ii) Designated as at FVTPL (Investment in equity instruments)	0.01	0.00
	<b>0.09</b>	<b>0.67</b>



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## Note : 11 Loans

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>(i) Non-current</b>		
<b>(Unsecured)</b>		
Loans to employees	1.82	-
	<b>1.82</b>	<b>-</b>
<b>(ii) Current</b>		
<b>(Unsecured)</b>		
Loans to employees	0.42	0.08
	<b>0.42</b>	<b>0.08</b>

**Note:** There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any person.

## Note : 12 Other Financial Assets

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>(i) Non Current</b>		
Security Deposits (including considered doubtful as at 31.03.22 ₹ 0.07 Crore and as at 31.03.2021 ₹ 0.07 Crore)	4.47	2.99
Less : Provision for doubtful security deposits	0.07	0.07
Fixed deposits with original maturity more than twelve months (including margin money deposit lodged against bank guarantee and letter of credit)	0.38	0.28
	<b>4.78</b>	<b>3.20</b>
<b>(ii) Current</b>		
Accrued income	1.15	0.28
Security deposits	38.06	15.03
Unbilled Revenue (Net of Advance from Customers)	49.12	58.82
Others	0.08	0.08
	<b>88.41</b>	<b>74.21</b>

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Contracts in Progress at the end of reporting period</b>		
1. Contract Revenue Recognised as per Percentage of Completion Method	263.17	84.19
2. Contract Cost Incurred upto the reporting date	168.59	52.56
3. Recognised Profit (1-2)	94.58	31.63
4. Progress billings	-	-
<b>Balance at the end of the year</b>		
5. Recognised and Included in Financial Statements as amounts due:		
(i) Amounts due from Customers under construction contracts	153.63	136.59
(ii) Amounts due to Customers under construction contracts	-	-
6. Retentions held by customer	-	-
7. Advances received from customers	104.51	77.77

**Note:** Since the original expected duration of contracts entered by the Company is one year or less, management expects to recognise revenue with respect to unsatisfied / partially satisfied performance obligations, within twelve months from the date of balance sheet.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## Note : 13 Non-Current Tax Assets / (Current Tax Liabilities)

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>(i) Non-current</b>		
Provision for Income Tax	120.62	-
Advance payment of Tax	121.04	-
	<b>0.42</b>	<b>-</b>
<b>(ii) Current</b>		
Provision for Income Tax	25.12	114.51
Advance payment of Tax	20.17	96.86
	<b>(4.95)</b>	<b>(17.65)</b>

## Note : 14 Other Assets

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>(i) Non Current</b>		
Capital Advances (Unsecured, Considered Good)	6.93	7.12
Balances with indirect tax authorities	0.30	0.31
Less: Provision for doubtful balance with indirect tax authorities	0.30	0.31
Others	0.04	0.32
	<b>6.97</b>	<b>7.44</b>
<b>(ii) Current</b>		
Balances with Indirect Tax Authorities	43.39	23.03
Less: Provision for doubtful balance with indirect tax authorities	0.40	0.40
Prepaid expenses	23.49	17.33
Advance to suppliers (Unsecured, Considered Good)	35.56	13.86
Employee Advances*	3.56	3.80
Export benefit receivable	2.47	1.94
Others	11.00	9.68
	<b>119.07</b>	<b>69.24</b>

\* **Note:** There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any person.

## Note : 15 Inventories

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>(Valued at lower of cost and net realisable value)</b>		
Raw materials (including in transit as at 31.03.22 ₹ 5.66 Crore and as at 31.03.21 ₹ 6.53 Crore)	258.49	198.53
Work-in-progress (including in transit as at 31.03.22 ₹ 0.54 Crore and as at 31.03.21 ₹ 0.27 Crore)	268.34	228.98
Finished goods (including in transit as at 31.03.22 ₹ 43.81 Crore and as at 31.03.21 ₹ 25.88 Crore)	133.56	142.29
Stores and spares	9.14	6.64
<b>Total</b>	<b>669.53</b>	<b>576.44</b>

(Inventories are hypothecated as security for borrowings as disclosed under Note 21).

## Notes to Consolidated Financial Statements

for the year ended March 31, 2022

### Note : 16 Trade receivables

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured, Considered good	374.21	327.58
Trade Receivables - which have significant increase in credit risk	0.57	-
Trade Receivable - credit impaired	1.93	2.00
	376.71	329.58
Less : Allowance for doubtful debts	20.48	19.97
<b>Total</b>	<b>356.23</b>	<b>309.61</b>

(Trade Receivables are given as security for borrowings as disclosed under Note 21).

### Movement in the expected credit loss allowance

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at beginning of the year	19.97	7.94
Add : On account of acquisition through business combination	-	9.98
Add : Provision made during the year	8.05	4.41
Less: Provision used during the year	7.45	2.22
Add/(Less): Exchange differences	0.17	(0.14)
Balance at the end of the year	20.74	19.97
Reclassification to assets classified as held for sale (Refer Note 18)	(0.27)	-
<b>Balance at the end of the year after reclassification</b>	<b>20.48</b>	<b>19.97</b>

### Trade receivables ageing schedule as at 31.03.2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	352.65	16.61	2.20	0.26	1.72	373.44
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	0.03	-	-	-	0.03
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	0.02	0.08	0.10
(iv) Disputed Trade Receivables - considered good	-	-	0.77	-	-	0.77
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	0.01	0.53	-	-	0.54
(vi) Disputed Trade Receivables - credit impaired	-	-	0.25	-	1.58	1.83
<b>Total</b>	<b>352.65</b>	<b>16.65</b>	<b>3.75</b>	<b>0.28</b>	<b>3.38</b>	<b>376.71</b>
Less : Allowance for doubtful debts						20.48
<b>Trade receivables</b>						<b>356.23</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## Trade receivables ageing schedule as at 31.03.2021

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed Trade receivables – considered good	296.58	19.91	4.18	1.06	0.90	322.62
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	0.11	0.11
(iii) Disputed Trade Receivables – considered good	3.17	1.79	-	-	-	4.96
(iv) Disputed Trade Receivables – credit impaired	-	-	0.90	-	0.99	1.89
<b>Total</b>	<b>299.75</b>	<b>21.70</b>	<b>5.08</b>	<b>1.06</b>	<b>2.00</b>	<b>329.58</b>
Less : Allowance for doubtful debts						<b>19.97</b>
<b>Trade receivables</b>						<b>309.61</b>

## Note : 17 Cash and Bank Balances

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Cash and Cash Equivalents</b>		
Cash and stamps on hand	0.21	0.08
Balances with banks		
- In current accounts	290.30	230.39
- In deposit accounts with maturity less than three months	0.07	13.00
	<b>290.58</b>	<b>243.47</b>
<b>Other Bank Balances</b>		
Fixed deposits with original maturity more than three months and less than twelve months (including margin money deposit lodged against bank guarantee and letter of credit)	36.76	48.56
In unpaid dividend accounts - Earmarked balances	0.40	0.25
	<b>37.16</b>	<b>48.81</b>

## Note : 18 Assets classified as held for sale

**18.1** On February 3, 2022 The group board resolved to sell its subsidiary - Edlon Inc's business and negotiations with several interested parties have subsequently taken place. The sale is consistent with the Group's long-term policy to focus its activities on the Group's core businesses. The subsidiary, which is expected to be sold within 12 months, has been classified as a held for sale and presented separately in the balance sheet as they meet the criteria laid out under Ind AS 105.

The proceeds of sale are expected to exceed the carrying amount of the related net assets and accordingly no impairment losses have been recognised on the classification of this subsidiary as held for sale.

The major classes of assets and liabilities comprising the subsidiary classified as held for sale are as follows:

(₹ in Crore)

Particulars	As at 31.03.2022
Property, Plant & Equipment	14.60
Right of Use Assets	1.25
Capital work-in-progress	0.20
Goodwill	16.21
Intangible Assets	18.09
Deferred Tax Assets (Net)	8.28
Inventories	28.97
Trade receivables and Other current Assets	17.09
Cash & Cash Equivalents	17.40
<b>Total Assets classified as held for sale</b>	<b>122.09</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Crore)

Particulars	As at 31.03.2022
Lease liabilities	1.25
Deferred tax liabilities (Net)	6.46
Trade Payables and Other current Liabilities	11.86
Provisions	3.77
Current tax liabilities	(1.32)
<b>Total liabilities associated with assets classified as held for sale</b>	<b>22.02</b>
<b>Net assets of Subsidiary classified as held for sale</b>	<b>100.07</b>

**18.2** On February 3, 2022, the Company has decided to sell Commercial property at Peninsula, Mumbai & Company's Guest house at Belvedere Court, Mumbai.

Accordingly, the Company has reclassified these assets as "Assets held for sale" at their carrying value amounting to ₹ 5.08 Crores as they meet the criteria laid out under Ind AS 105. The Company has had deliberations with a few property consultants and has plan to close the deal within a year.

The proceeds of sale are expected to exceed the carrying value of the related assets and hence, no impairment loss has been recognised on the reclassification of the said assets.

## Note : 19 Equity Share Capital

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Authorised</b>		
25,000,000 (PY 25,000,000) Equity shares of ₹ 2/- each	5.00	5.00
<b>Issued, Subscribed and Paid-up</b>		
14,617,500 (PY 14,617,500) Equity shares of ₹ 2/- each fully paid up	2.92	2.92
<b>Total</b>	<b>2.92</b>	<b>2.92</b>

### a Reconciliation of equity shares outstanding at the beginning and end of the reporting year

#### Equity Shares:

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore
At the Beginning of the year	14,617,500	2.92	14,617,500	2.92
Changes in equity share capital during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>14,617,500</b>	<b>2.92</b>	<b>14,617,500</b>	<b>2.92</b>

### 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 shareholder.

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	% holding	No. of Shares	% holding
Pfaudler Inc.	4,776,736	32.68%	4,776,736	32.68%
Millars Machinery Co. Pvt. Limited	1,295,595	8.86%	1,295,595	8.86%



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 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.

## e Shares reserved for issue under options and contracts:

Refer Note 38 for details of shares to be issued under employee stock option Scheme (ESOP 2021)

## f Details of Shareholding of Promoters

Shares held by promoters at the end of the year		As at 31.03.2022		
Sr. No.	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	Tarak Ashok Patel	173,960	1.19%	-
2	Ashok Jethabhai Patel	6,745	0.05%	-
3	Urmi Ashok Patel	619,679	4.24%	-
4	A J Patel HUF	277,235	1.90%	-
5	Uttara A Patel	166,995	1.14%	-
6	Panna Shailendra Patel	33,750	0.23%	-
7	Pragna Satish Patel	16,160	0.11%	-
8	Palomita Shailendra Patel	1,200	0.01%	-
9	A J Patel Charitable Trust	253,125	1.73%	-
10	Millars Machinery Company Pvt Ltd	1,295,595	8.86%	-
11	Uttarak Enterprises Pvt Ltd.	410,885	2.81%	-
12	Pfandler Inc	4,776,736	32.68%	-
	<b>Total</b>	<b>8,032,065</b>	<b>54.95%</b>	<b>-</b>

Shares held by promoters at the end of the year		As at 31.03.2021		
Sr. No.	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	Tarak Ashok Patel	173,960	1.19%	-
2	Ashok Jethabhai Patel	6,745	0.05%	-
3	Urmi Ashok Patel	619,679	4.24%	(0.85)%
4	A J Patel HUF	277,235	1.90%	-
5	Uttara A Patel	166,995	1.14%	-
6	Panna Shailendra Patel	33,750	0.23%	-
7	Pragna Satish Patel	16,160	0.11%	-
8	Palomita Shailendra Patel	1,200	0.01%	-
9	A J Patel Charitable Trust	253,125	1.73%	-
10	Millars Machinery Company Pvt Ltd	1,295,595	8.86%	(20.30)%
11	Uttarak Enterprises Pvt Ltd.	410,885	2.81%	-
12	Pfandler Inc	4,776,736	32.68%	(35.21)%
	<b>Total</b>	<b>8,032,065</b>	<b>54.95%</b>	<b>(26.74)%</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## Note : 20 Other Equity

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Capital Reserve:</b>		
Balance at the beginning of the year	(13.87)	(13.87)
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>(13.87)</b>	<b>(13.87)</b>
<b>Cash Subsidy Reserve:</b>		
Balance at the beginning of the year	0.07	0.07
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>0.07</b>	<b>0.07</b>
<b>Securities Premium:</b>		
Balance at the beginning of the year	14.93	14.93
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>14.93</b>	<b>14.93</b>
<b>Foreign Currency Translation Reserve:</b>		
Balance at the beginning of the year	16.50	24.49
Movement during the year	9.22	(7.99)
<b>Balance at the end of the year</b>	<b>25.72</b>	<b>16.50</b>
<b>General Reserve:</b>		
Balance at the beginning of the year	21.93	21.93
Movement during the year	2.11	-
<b>Balance at the end of the year</b>	<b>24.04</b>	<b>21.93</b>
<b>Share options outstanding reserve:</b>		
Balance at the beginning of the year	-	-
Add: Issue of Shares under Employee Stock Option Scheme (Refer Note 38)	0.49	-
<b>Balance at the end of the year</b>	<b>0.49</b>	<b>-</b>
<b>Surplus in Statement of Profit and loss:</b>		
Balance at the beginning of the year	363.76	278.58
Add : Net Profit for the year	118.47	92.64
Less : Appropriations:		
Interim Dividend [Dividend Per Share ₹ 3, (Previous Year ₹ 3)]	4.39	4.39
Final Dividend [Dividend Per Share ₹ 2, (Previous Year ₹ 2)]	2.92	2.92
Transfer to general reserve	2.11	-
Adjustment pursuant to acquisition of subsidiaries	-	(0.15)
<b>Balance at the end of the year</b>	<b>472.81</b>	<b>363.76</b>
<b>Total Other Equity</b>	<b>524.19</b>	<b>403.32</b>

### Nature and Purpose of Reserves

#### Capital Reserve:

The group executed merger of wholly owned subsidiary with its step down wholly owned subsidiary. Since the transaction met the definition of "Common Control Transaction" it was accounted in accordance with Appendix C to Ind AS 103 "Business combinations". In accordance with the requirements of the Standard, difference between the amount previously recorded as investment in wholly owned subsidiary and the share capital including security premium of step down wholly owned subsidiary has been transferred to capital reserve.

It is not available for the distribution to shareholders as dividend.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## Cash Subsidy Reserve:

Cash Subsidy Reserve represents subsidies received from state government. It is not available for distribution as dividend to shareholders.

## Securities Premium:

Securities Premium represents Security Premium received at the time of issuance of Equity Shares. Such amount is available for utilisation in accordance with the provisions of the Companies Act, 2013.

## Foreign Currency Translation Reserve:

Foreign Currency Translation Reserve arises as a result of translating the financial statement items from the functional currency into the Group's presentational currency i.e. Indian Rupee.

## 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.

## Share options outstanding reserve:

This reserve relates to share options granted by the Group to its employee stock option scheme. Further information about share-based payments to employees is set out in Note 38.

## Note : 21 Borrowings

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>i. Long Term Borrowings</b>		
<b>a. Non Current</b>		
<b>Secured (at amortised cost)</b>		
Term Loan from bank (Refer Note 1,2,3 and 6)	424.08	408.54
<b>Unsecured (at amortised cost)</b>		
Term Loan from bank (Refer Note 7)	25.55	34.22
	<b>449.62</b>	<b>442.76</b>
<b>b. Current</b>		
<b>Secured (at amortised cost)</b>		
Term Loan from bank	47.08	28.24
<b>Unsecured (at amortised cost)</b>		
Term Loan from bank (Refer Note 7)	8.23	5.83
	<b>55.31</b>	<b>34.07</b>
<b>Total Long Term Borrowings (i)</b>	<b>504.94</b>	<b>476.83</b>
<b>ii. Short Term Borrowings</b>		
<b>Unsecured (at amortised cost)</b>		
Working Capital Loans repayable on demand from Banks (Refer Note 5)	-	14.84
Current Maturities of Long terms borrowings (Refer Note 4)	55.31	34.07
<b>Total Short Term Borrowings (ii)</b>	<b>55.31</b>	<b>48.91</b>
	<b>504.94</b>	<b>491.67</b>

## Note :

- 1 A Rupee Term Loan amounting to ₹ 35.18 crore (Previous Year 2020-21: ₹ 46.00 crore) is secured by charge over immovable property and Movable property located at Hyderabad. The loan carries interest rate at 6.75% (Previous Year 2020-21: 7.4%) per annum. The Loan is repayable in 17 quarterly installments.
- 2 A Rupee Term Loan amounting to ₹ 51.40 Crore (Previous Year 2020-21: Nil) is secured by charge over movable and immovable property located at Vatva (Ahmedabad) Gujarat. The loan carries interest rate at 6.55% per annum. The Loan is repayable in 14 quarterly installments. The charge on above securities with respect to mortgage is in process of registration with MCA.

## Notes to Consolidated Financial Statements

for the year ended March 31, 2022

- 3 External Commercial Borrowing (ECB) amounting to ₹ 41.29 Crore (Previous Year 2020-21: ₹ 44.52 Crore) is secured by parri passu charge on the Company's Karamsad factory, 1<sup>st</sup> charge by way of hypothecation on the Company's inventories (stores & spares not relating to the Plant and Machinery), Bills Receivable, Book Debts and all other movables including machineries, equipments, spares etc. The loan carries interest rate of 3/6 month Libor plus 245 basis point. Repayments have started from July 2021 and will continue until January 2025. The charge on above securities is in process of registration with MCA.
- 4 Installments falling due within a year in respect of all the above Loans aggregating ₹ 55.31 crore (March 31, 2021 : ₹ 34.07 crore) have been grouped under "Current Maturities of Long terms borrowings".
- 5 Working Capital Loans include Foreign currency Loan amounting to NIL (Previous Year 2020-21: ₹ 14.84 Crore) repayable within one Year bearing Interest rate minimum FCY FTP +125 bps p.a and having benchmark 3/6/ Month LIBOR and the same has been repaid during the Financial year 21-22.
- 6 Secured loans availed by foreign subsidiaries (Pfaudler group) amounting to ₹ 344.14 Crore (Previous Year 2021-22: ₹ 347.47 Crore) carries an interest rate of LIBOR/ EURIBOR + applicable margin. The applicable margin depends on leverage ratio levels and may vary from 0.75% to 4.00%. The maturity date for such loan varies from August 2025 to August 2026 which is repayable in installment semi annually/one time payment on termination date. The said loan is secured by various pledge and charge agreements in favor of the lender. Also, certain assets, shares, account receivables, bank accounts and intellectual property rights have been granted as security.
- 7 Unsecured term loan amounting to ₹ 32.93 crore (Previous Year 2020-21: ₹ 38.84 crore) from bank availed by wholly owned subsidiary (Mavag AG) carries an interest rate of 1.7% per annum. The Loan is repayable in 20 quarterly installments each of CHF 250,000.
- 8 The Group has been sanctioned working capital from banks on the basis of security of current assets. The Group in this regard has been duly submitting with all such banks from whom such facilities are taken, the quarterly statements comprising details of said current assets viz. raw material, stores and spares, finished goods, book debts and reduced by relevant trade payables.

The said quarterly statements are in agreement with the unaudited books of account of the Group of the respective quarters and there are no material discrepancies.

### Note : 22 Lease Liabilities

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Non Current	109.37	121.56
Current	21.50	19.39
<b>Total</b>	<b>130.87</b>	<b>140.95</b>

#### (i) Movement in Lease Liabilities

Particulars	As at 31.03.2022	As at 31.03.2021
Opening Balance	140.95	23.20
Add : On account of acquisition through business combination	-	127.03
Add: Addition made during the year	11.71	3.27
Less: Deletion made during the year	0.56	1.01
Add: Finance cost accrued during the year	4.36	2.55
Less: Payment of Lease Liabilities	24.10	10.40
Add/(Less): Exchange differences	(0.24)	(3.69)
Closing Balance	<b>132.12</b>	<b>140.95</b>
Reclassification to assets classified as held for sale	(1.25)	-
<b>Total</b>	<b>130.87</b>	<b>140.95</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Payable within one year	25.27	27.94
Payable later than one year and not later than five years	56.05	68.50
Payable after five years	64.18	95.35
(iii) Lease payments recognised for short term leases in Statement of Profit and Loss during the year (Refer Note 34)	7.90	3.02

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## Note : 23 Provisions

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Non Current</b>		
Provision for employee benefits (Note (i))	365.36	455.55
	<b>365.36</b>	<b>455.55</b>
<b>Current</b>		
Provision for employee benefits (Note (i))	92.93	70.46
Provision for unexpired warranty (Note (ii))	15.73	15.54
Contract related provisions (Note (iii))	10.48	8.92
Provision for selling expenses (Note (iv))	6.60	6.11
	<b>125.74</b>	<b>101.03</b>

### Note:

- Provision for employee benefits includes amount payable to employees on account of Gratuity, Pension, Medical plan, Compensated absences, Partial or Early Retirement and Incentives. Movement of such Provision for employee benefits is disclosed under Note 37.
- As per the contractual terms with customers, group provides warranty to the customers. The provision is made for such returns/rejections on the basis of historical warranty trends as per the policy of the group.

## Provision for unexpired warranty

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Opening balance</b>	15.54	2.72
Add : On account of acquisition through business combination	-	10.83
Add: Additional provision made during the year	14.64	7.83
Add/(Less): Exchange differences	0.45	(0.25)
Less: Provision amount used during the year	14.90	5.59
<b>Closing balance</b>	<b>15.73</b>	<b>15.54</b>

## (iii) Contract related provisions

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Opening balance</b>	8.92	-
Add : On account of acquisition through business combination	-	6.74
Add: Additional provision made during the year	16.60	3.40
Add/(Less): Exchange differences	0.17	(0.05)
Less: Provision amount used during the year	15.21	1.17
<b>Closing balance</b>	<b>10.48</b>	<b>8.92</b>



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## (iv) Provision for Selling Expenses

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Opening balance	6.11	-
Add : On account of acquisition through business combination	-	6.53
Add: Additional provision made during the year	15.92	2.81
Add/(Less): Exchange differences	0.08	(0.20)
Less: Provision amount used during the year	15.51	3.03
<b>Closing balance</b>	<b>6.60</b>	<b>6.11</b>

## Note : 24 Deferred Tax Liabilities

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Deferred tax liabilities	108.53	98.36
Deferred tax assets	(69.89)	(84.39)
<b>Net Deferred Tax Liabilities</b>	<b>38.64</b>	<b>13.97</b>

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:

Deferred tax liabilities	48.82	50.81
Deferred tax assets	(10.18)	(36.84)
<b>Net Deferred Tax Liabilities</b>	<b>38.64</b>	<b>13.97</b>

Particulars	2021-22					2020-21					
	Opening Balance	Charged to / (Reversed from) Statement of P&L	Recognised in Other Comprehensive Income	Foreign Exchange Difference	Closing Balance	Opening Balance	On account of business combination (Refer Note 47)	Charged to/(Reversed from) Statement of P&L	Recognised in Other Comprehensive Income	Foreign Exchange Difference	Closing Balance
<b>Deferred tax liabilities/ (assets) in relation to:</b>											
Property, Plant and Equipment	79.03	14.12	-	2.01	95.16	4.76	70.43	5.99	-	(2.15)	79.03
Investments classified as FVTPL	0.06	(0.03)	-	-	0.03	1.62	-	(1.56)	-	-	0.06
Accounts receivables	0.45	2.72	-	(0.16)	3.01	(0.97)	0.55	0.88	-	(0.01)	0.45
Lease Liabilities	(0.25)	0.14	-	-	(0.11)	(0.31)	-	0.06	-	-	(0.25)
Provisions and accruals	(8.86)	(6.01)	-	(0.38)	(15.25)	0.18	(5.58)	(3.58)	-	0.12	(8.86)
Provision for Employee Benefit	(74.58)	(1.68)	20.31	1.42	(54.53)	(1.88)	(86.98)	(0.38)	12.12	2.54	(74.58)
Other Temporary differences	18.12	(8.66)	-	(0.95)	8.51	1.61	41.37	(23.55)	-	(1.31)	18.12
<b>Net deferred tax liabilities</b>	<b>13.97</b>	<b>0.60</b>	<b>20.31</b>	<b>1.94</b>	<b>36.82</b>	<b>5.01</b>	<b>19.79</b>	<b>(22.14)</b>	<b>12.12</b>	<b>(0.81)</b>	<b>13.97</b>
Net Deferred tax assets reclassified to assets held for sale (Refer Note 18)					1.82						-
<b>Total</b>					<b>38.64</b>						<b>13.97</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Profit Before tax from Continuing Operations	133.38	68.06
Income Tax using the Company's domestic Tax rate #	33.57	17.13
Tax Effect of :		
- Non deductible expenses	12.97	6.65
- Tax - Exempt income	(0.15)	0.42
- Deduction on account of expenses allowable in tax but not claimed in book	13.84	(7.13)
- Tax impact on Income charged under Capital Gain	-	0.25
- Changes in recognised deductible temporary differences	(3.05)	(5.18)
- Changes in recognised deductible temporary differences due to change in tax rate	(0.19)	(0.08)
- Tax impact on notional income / expense	(0.11)	(0.17)
- Difference between Indian Tax Rate and Foreign Tax Rate	(0.57)	(4.00)
Prior-year taxes recognized in current year	(0.58)	(3.95)
Miscellaneous other tax effects	2.29	0.57
<b>Income Tax recognised in Statement of Profit &amp; Loss from Continuing Operations</b>	<b>58.02</b>	<b>4.51</b>
<b>Effective Tax Rate</b>	<b>43.50%</b>	<b>6.63%</b>

#The Tax rate used for Financial Year 2021-22 and 2020-21, in reconciliation above is the corporate tax rate of 25.17% payable by Group on taxable profits under the Indian Tax Law.

## (b) Income Tax Expense

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Current Tax:</b>		
Current Income Tax Charge	58.00	30.60
Excess Provision for Tax relating to Prior Years	(0.58)	(3.95)
<b>Deferred Tax:</b>		
Deferred Tax Charge for the year	0.60	(22.14)
<b>Total Tax Expense recognised in statement of profit and loss</b>	<b>58.02</b>	<b>4.51</b>

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 ₹ 84.58 Crore (31 March, 2021 ₹ 59.70 Crore).

## Note : 25 Other Liabilities

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Non Current</b>		
Advances from customers	14.50	6.45
Others	0.75	5.93
	<b>15.25</b>	<b>12.38</b>
<b>Current</b>		
Advances from customers (Net of advances related to unbilled revenue)	407.90	281.44
Statutory dues payable	6.93	12.06
	<b>414.83</b>	<b>293.50</b>

## Notes to Consolidated Financial Statements

for the year ended March 31, 2022

### Note : 26 Trade Payables

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Dues to Micro, Small and Medium Enterprises	2.70	4.41
Dues to Other Creditors	388.49	297.75
<b>Total</b>	<b>391.19</b>	<b>302.16</b>

### Trade payables ageing schedule as at 31.03.22

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
(i) MSME	2.70	-	-	-	2.70
(ii) Others	319.25	4.15	0.58	2.41	326.39
<b>Total</b>	<b>321.95</b>	<b>4.15</b>	<b>0.58</b>	<b>2.41</b>	<b>329.09</b>
Add: Accrued expense					62.10
<b>Total</b>					<b>391.19</b>

### Trade payables ageing schedule as at 31.03.2021

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
(i) MSME	4.41	-	-	-	4.41
(ii) Others	206.01	0.83	0.85	1.62	209.31
<b>Total</b>	<b>210.42</b>	<b>0.83</b>	<b>0.85</b>	<b>1.62</b>	<b>213.72</b>
Add: Accrued expense					88.44
<b>Total</b>					<b>302.16</b>

### Note : 27 Other Financial Liabilities

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Current</b>		
Unclaimed dividend (Refer Note below)	0.36	0.25
Payables for capital expenditure	0.43	2.08
Employee benefits payable	27.92	26.06
Interest accrued but not due	1.44	1.64
Others	5.07	-
<b>Total</b>	<b>35.22</b>	<b>30.03</b>

The amount of Unclaimed Dividend reflects the position as at March 31, 2022. During the year, the Company has transferred an amount of ₹ 0.02 Crore (Previous year ₹ 0.03 Crore) 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, 2022

## Note : 28 Revenue from Operations

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Revenue from Sale of Products	2,520.31	994.96
Other Operating Revenues	20.26	6.16
<b>Total</b>	<b>2,540.57</b>	<b>1,001.12</b>

### Disaggregate Revenues from contracts with customer :

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Revenue from Technology	1,541.85	766.81
Revenue from Systems	314.94	84.11
Revenue from Services	683.78	150.20
<b>Total</b>	<b>2,540.57</b>	<b>1,001.12</b>

### Reconciliation of Revenue from operations with contract price:

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Contract Price	2,552.19	1,015.26
Less : Adjustment made to contract price on account of:		
Sales return	9.72	10.12
Liquidated damages	1.90	3.99
Discounts and rebates	-	0.03
<b>Total</b>	<b>2,540.57</b>	<b>1,001.12</b>

## Note : 29 Other Income

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Interest Income (Gross)</b>		
- Non - current investments	-	0.04
- Deposits with banks	0.15	2.40
- Others	0.07	1.02
Net Gain/(Loss) on Sale of non-current Investments	0.06	-
<b>Other non-operating income</b>		
- Profit on sales of fixed assets (net)	0.50	0.37
- Miscellaneous Income	5.95	6.79
Net gain on foreign exchange translations	-	12.86
<b>Total</b>	<b>6.73</b>	<b>23.48</b>

## Note : 30 Cost of materials consumed

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Opening stock of Raw materials and Stores and spares	205.17	56.58
Add : On account of acquisition through business combination	-	148.65
Add: Purchases during the year	1,106.99	386.18
	<b>1,312.16</b>	<b>591.41</b>
Less: Closing stock of Raw materials and Stores and spares	267.63	205.17
<b>Total</b>	<b>1,044.53</b>	<b>386.24</b>

## Notes to Consolidated Financial Statements

for the year ended March 31, 2022

### Note : 31 Changes in Inventories of Finished Goods and Work-in-Progress

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Inventory of finished good at the beginning of the year	142.29	11.82
Inventory of work in progress at the beginning of the year	228.98	57.41
	<b>371.27</b>	<b>69.23</b>
On account of acquisition through business combination:		
Inventory of finished good	-	130.93
Inventory of work in progress	-	232.44
	-	<b>363.37</b>
Inventory of finished good at the closing of the year	133.56	142.29
Inventory of work in progress at the closing of the year	268.34	228.98
	<b>401.90</b>	<b>371.27</b>
<b>Total</b>	<b>(30.63)</b>	<b>61.33</b>

### Note : 32 Employee Benefits Expense

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Salaries and Wages	556.23	174.42
Contribution to Provident and Other Funds	151.75	30.43
Share based payments to employees (Refer Note 38)	0.49	-
Staff Welfare Expenses	4.93	2.62
<b>Total</b>	<b>713.40</b>	<b>207.47</b>

### Note : 33 Finance Costs

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Interest Expense	13.29	5.44
Other financial charges	6.95	2.19
Interest on Lease Liabilities (Refer Note 22)	4.36	2.55
<b>Total</b>	<b>24.60</b>	<b>10.18</b>

### Note : 34 Other Expenses

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Power & Fuel	92.82	32.93
Stores & Spares Consumption	82.96	31.01
Repairs to Machinery	7.09	5.66
Repairs to Buildings	2.23	1.42
Repairs- Others	29.47	5.63
Rent (Refer Note 22)	7.90	3.02
Insurance	14.86	3.43
Rates & Taxes	10.10	3.59
Royalty	-	2.92
Travel & Conveyance	24.08	5.26
Communication	6.31	2.05
Bad debts written off	0.58	-
Provision for doubtful debts and advances	0.08	0.09
Provision for Warranty expenses (net)	(0.26)	2.24
Net Loss on Sale of Investments - Current Investments	-	0.09
Net Loss on Current Investments designated as Fair Value through Profit or Loss	0.14	0.03
Net loss on foreign exchange translations	0.94	-

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## Note : 34 Other Expenses (Contd...)

Particulars	(₹ in Crore)	
	Year Ended 31.03.2022	Year Ended 31.03.2021
Advertisement and sales promotion	2.15	0.96
Commission	17.51	3.05
Legal and professional fees	57.56	17.94
Freight outward	46.96	20.34
Payments to auditors (Refer Note 36)	0.54	0.64
Expense on CSR activities	1.77	1.21
IT Expenses	17.48	3.98
Miscellaneous Expenses	33.43	12.85
<b>Total</b>	<b>456.69</b>	<b>160.34</b>

## Note : 35 Contingent Liabilities and Commitments

Particulars	(₹ in Crore)	
	As at 31.03.2022	As at 31.03.2021
<b>A) Contingent Liabilities not provided for:</b>		
<b>1. Claims against the Company not acknowledged as debts comprises:</b>		
i) Disputed demands Relating to Indirect Taxes.	0.70	1.86
- Company has preferred appeal against orders for payement under RCM in respect to Service Tax matter.		
- Company has filed appeal against Assessment order in respect of Sales Tax matter. Management will reasonably confindent that no liability will devolve on Company and hence no liabilities have recognized in the books of account.		
ii) Matter decided in favour of the company where the income tax department has preferred appeals.	5.27	5.27
- The company has received order from ITAT Ahmedabad for which ITAT has set aside the issue to CIT (Appeal) in respect of upward adjustment in Arms Length Price for AY 2010-11.		
- Departement has preferred appeal before ITAT Ahmedabad againt order passed by CIT (Appeal) in respect of upward adjustment in Arms Length Price and disallowance of warranty provision for AY 2011-12 & 2012-13.		
The management is reasonably confindent that no liability will be arise in future and hence no provision is made in the books of accounts.		
iii) Disputed demands relating to tax against which the Company has preferred appeals.	0.24	0.24
- The company has received order from ITAT Ahmedabad in which ITAT has set aside the issue to CIT (Appeal) with respect to upward adjustment of Arms Length Price for AY 2010-11 and the company has filed Misc. application against this order.		
- The Company has preferred appeal before ITAT Ahmedabad againt order passed by CIT (Appeal) in respect of upward adjustment of Arms Length Price for AY 2011-12 & 2012-13.		
- Company has preferred appeal before CIT (Appeal) against the disallowance of education expenditure under Section 143 (3) for AY 2013-14.		
- Company has preferred appeal before CIT (Appeal) with respect to disallowance of commission paid to non-resident due to non deduction of TDS for AY 2017-18.		
The management is reasonably confindent that no liability will be arise in future and hence no provision is made in books of account.		
Note: Against the above, the company has paid ₹ 0.35 Crore. The expected outflow will be determined at the time of final outcome in respect of concerned matter.		
iv) Labour claims (relates to legal disputes with former employees in Italy and Brazil)	0.83	1.23



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 2 Guarantees

The group has issued various guarantees for performance, deposits, advances etc. The management basis past history and events has considered the probability for outflow of the same to be remote and accordingly no amount has been disclosed here in contingent liability.

### B) Commitments

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	21.67	58.47

### Note : 36 Payments to Auditors

(₹ in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>As Auditor</b>		
(i) Statutory Audit fees	0.35	0.46
(ii) Limited review fees	0.15	0.15
(iii) Tax audit fees	0.02	0.02
<b>Other services</b>		
(i) Certification	0.01	-
Reimbursement of out-of-pocket expenses	0.01	0.01
<b>Total</b>	<b>0.54</b>	<b>0.64</b>

### Note : 37 Employee Benefits

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 Crore)

Particulars	31.03.2022	31.03.2021
Employer's Contribution to Provident Fund	2.53	1.79
Employer's Contribution to Superannuation Fund	0.55	0.51
Employer's Contribution to Pension Scheme	0.90	0.75
Employer's Contribution to Employee's State Insurance	0.01	-

#### Compensated absences and earned leaves

The Group's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy.

#### Defined Benefit Plans

The group operates a defined benefit plan in form of gratuity plan and pension scheme covering eligible employees, which provide a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

**These plans typically expose the group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.**

#### Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on planned asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 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, 2022. 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 Crore)

	As at 31.03.2022	As at 31.03.2021
<b>1 Pension and Medical Scheme</b>		
<b>a. Assumptions :</b>		
<b>US pension plan</b>		
Discount rate	3.38%	2.83%
<b>UK plan</b>		
Discount rate	2.70%	2.10%
<b>German plan</b>		
Discount rate	1.54% to 1.78%	0.83% to 1.25%
<b>US medical plan</b>		
Discount rate	3.36%	2.81%
<b>Mexico Pension plans</b>		
Discount rate	8.27%	7.17%
<b>Switzerland Pension plan</b>		
Discount Rate	1.15%	0.35%
Salary Increase	1.00%	0.50%
Inflation Rate	1.00%	0.50%
<b>b. Table Showing Change in the Present Value of Projected Benefit Obligation</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Present Value of Benefit Obligation at the Beginning of the Period	968.09	84.97
Addition on account of business combination	-	950.23
Interest Cost	16.59	2.70
Current Service Cost	11.35	3.98
Plan participants' contribution	1.94	1.71
Benefit Paid Directly by the Employer	(1.40)	(0.26)
Benefit Paid From the Fund	(28.52)	(5.84)
The Effect of Changes in Foreign Exchange Rates	3.00	(16.24)
Total Actuarial (Gains)/Losses on Obligations	(88.04)	(53.16)
<b>Present Value of Benefit Obligation at the End of the Period</b>	<b>883.01</b>	<b>968.09</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Crore)

	As at 31.03.2022	As at 31.03.2021
<b>c. Table Showing Change in the Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the Beginning of the Period	505.47	71.53
Addition on account of business combination	-	437.40
Interest Income	10.91	1.83
Contributions by the Employer	5.14	2.02
Expected Contributions by the Employees	2.42	1.71
Benefit Paid from the Fund	(16.63)	(3.72)
Expenses and Tax for managing the Benefit Obligations- paid from the fund	(0.08)	(0.08)
The Effect of Changes In Foreign Exchange Rates	11.02	(0.69)
Return on Plan Assets, Excluding Interest Income	(8.24)	(4.53)
<b>Fair Value of Plan Assets at the End of the Period</b>	<b>510.01</b>	<b>505.47</b>
<b>d. Amount Recognized in the Balance Sheet</b>		
Present Value of Benefit Obligation at the end of the Period	(883.01)	(968.09)
Fair Value of Plan Assets at the end of the Period	510.01	505.47
Funded Status (Surplus/(Deficit))	(373.00)	(462.62)
Net (Liability)/Asset Recognized in the Balance Sheet	(373.00)	(462.62)
Net Liability reduced due to risk sharing	(368.29)	(453.53)
<b>e. Expenses Recognized in the Statement of Profit or Loss for Current Period</b>		
Current Service Cost	11.43	4.06
Net Interest Cost	5.68	0.86
<b>Expenses Recognized</b>	<b>17.11</b>	<b>4.92</b>
<b>f. Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period</b>		
Actuarial (Gains)/Losses on Obligation For the Period	88.04	53.16
Return on Plan Assets, Excluding Interest Income	(8.24)	(4.53)
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>79.80</b>	<b>48.63</b>
<b>g. Category of Assets</b>		
Bonds	239.15	221.90
Cash and Cash Equivalents	7.57	7.96
Equity Securities	178.74	197.05
Diversified Growth Fund	48.68	49.31
Real Estate	19.63	13.68
Alternative Investment	2.43	1.71
Qualified Insurance Policy	10.81	11.09
Others	3.00	2.77
<b>Total</b>	<b>510.01</b>	<b>505.47</b>
<b>h. Projected Contribution for next year</b>	<b>30.46</b>	<b>23.27</b>

**i. Sensitivity analysis for each significant actuarial assumption**

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate, expected salary increase, pension escalations and life expectancy. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Crore)

Particulars	As at	
	31.03.2022	31.03.2021
Delta Effect of +1% Change in Rate of Discounting	(108.93)	(115.25)
Delta Effect of -1% Change in Rate of Discounting	134.62	146.42
Delta Effect of +1% Change in Rate of Salary Increase	13.07	16.64
Delta Effect of -1% Change in Rate of Salary Increase	(11.97)	(14.98)
Delta Effect of +1% Change in Rate of Pension Escalation	55.11	71.16
Delta Effect of -1% Change in Rate of Pension Escalation	(50.55)	(61.82)
Delta Effect of +1 Year Change in Life Expectancy	34.81	22.48
Delta Effect of -1 Year Change in Life Expectancy	(34.45)	22.06

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.

## 2 Below is the movement of other provision for employee benefits payable such as Partial or Early Retirement, Vacation and Holiday, Anniversary Payments and Incentives.

(₹ in Crore)

Particulars	Year Ended	
	31.03.2022	31.03.2021
Opening balance	60.06	-
Add : On account of acquisition through business combination	-	47.66
Add: Additional provision made during the year	148.29	19.88
Add/(Less): Exchange differences	0.59	(1.15)
Less: Provision amount used during the year	126.99	6.33
<b>Closing balance</b>	<b>81.95</b>	<b>60.06</b>

## 3. The amounts recognized in the Consolidated financial statements as at the year end are as under:

(₹ in Crore)

Particulars	Gratuity (Funded)		Compensated Absences (Funded)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>a Assumptions :</b>				
Discount Rate	7.33%	6.95%	7.33%	6.95%
Rate of Return on Plan Assets	7.33%	6.95%	7.33%	6.95%
Salary Escalation	7.00%	7.00%	7.00%	7.00%
Mortality	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2006-08
Average Past Service	5.34 Years	6.17 Years	5.33 Years	6.17 Years
Average Age	36.49 Years	36.96 Years	36.49 Years	36.96 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.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Crore)

Particulars	Gratuity (Funded)		Compensated Absences (Funded)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	Ultimate Table	Ultimate Table	Ultimate Table	Ultimate Table
<b>b Table showing changes in Present value of defined benefit obligation:</b>				
Liability at the beginning of the year	8.71	6.78	4.20	3.06
Interest cost	0.61	0.46	0.29	0.21
Current service cost	0.99	0.66	0.41	0.27
Liabilities Transferred in/ Acquisition	-	-	-	-
Benefit paid	(1.17)	(0.67)	(0.58)	(0.17)
Actuarial (gains) and loss arising from changes in demographic assumptions	0.00 *	-	0.00 **	-
Actuarial (gains) and loss arising from changes in financial assumptions	(0.48)	0.84	(0.28)	0.47
Actuarial (gains) and loss arising from experience adjustments	1.33	0.64	1.13	0.36
<b>Liability at the end of the year</b>	<b>9.99</b>	<b>8.71</b>	<b>5.17</b>	<b>4.20</b>
<b>c Change in Plan Assets:</b>				
Fair value of Plan Assets at the beginning of the year	6.51	5.64	3.07	2.10
Expected Return on Plan Assets	0.45	0.38	0.22	0.14
Assets Transferred in/Acquisition	-	-	-	-
Contributions	2.21	1.20	1.13	0.98
Benefit Paid	(1.17)	(0.67)	(0.58)	(0.17)
Actuarial gain/(loss) on Plan Assets	(0.02)	(0.04)	0.01	0.02
<b>Fair value of Plan Assets at the end of the year</b>	<b>7.98</b>	<b>6.51</b>	<b>3.85</b>	<b>3.07</b>
<b>d Actual Return on Plan Assets:</b>				
Expected Return on Plan Assets	0.45	0.38	0.22	0.14
Actuarial gain/(loss) on Plan Assets	(0.02)	(0.04)	0.01	0.02
<b>Actual Return on Plan Assets</b>	<b>0.43</b>	<b>0.34</b>	<b>0.23</b>	<b>0.16</b>
<b>e Amount Recognized in the Balance Sheet:</b>				
Present value of Funded defined benefit obligation at the end of the year	9.99	8.71	5.17	4.20
Fair value of Plan Assets at the end of the year	7.98	6.51	3.85	3.07
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(2.01)</b>	<b>(2.20)</b>	<b>(1.32)</b>	<b>(1.13)</b>
<b>f Expenses Recognized in the Statement of Profit &amp; Loss :</b>				
Current Service cost	0.99	0.66	0.41	0.27
Interest Cost	0.16	0.08	0.07	0.07
Net Actuarial (gain)/loss to be recognized	0.87	1.52	0.84	0.81
<b>Expense/(Income) Recognized in Statement of Profit &amp; Loss</b>	<b>2.02</b>	<b>2.26</b>	<b>1.32</b>	<b>1.15</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Crore)

Particulars	Gratuity (Funded)		Compensated Absences (Funded)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>g Balance Sheet Reconciliation:</b>				
Opening Net Liability	2.20	1.14	1.13	0.96
Expenses recognised in Statement of Profit & Loss	1.15	0.74	1.32	1.15
Net Liability Transfer In	-	-	-	-
Expenses recognised in OCI	0.87	1.52	-	-
Employers Contribution	(2.21)	(1.20)	(1.13)	(0.98)
<b>Net Liability/(Assets) Recognized in Balance Sheet</b>	<b>2.01</b>	<b>2.20</b>	<b>1.32</b>	<b>1.13</b>
Current	2.01	1.86	1.32	1.13
Non Current	-	0.34	-	-

## 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.

<b>i Experience Adjustment</b>				
Actuarial (Gains)/Losses on Obligations - Due to Experience	1.33	0.64	1.13	0.36
Actuarial (Gains)/Losses on Plan Assets - Due to Experience	0.02	0.04	(0.01)	(0.02)
<b>j Projected Contribution for next year</b>	<b>2.55</b>	<b>1.86</b>	<b>1.86</b>	<b>1.54</b>

## 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.

Particulars	31.03.2022	31.03.2021
Projected Benefit obligation on current assumption	9.99	8.72
Impact of increase in discount rate by 1%	(1.11)	(0.95)
Impact of decrease in discount rate by 1%	1.34	1.15
Impact of increase in salary escalation rate by 1%	1.34	1.13
Impact of decrease in salary escalation rate by 1%	(1.12)	(0.96)
Impact of increase in rate of employee turnover by 1%	0.01	(0.02)
Impact of decrease in rate of employee turnover by 1%	(0.02)	0.02

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

## l Investment details of plan assets

The Plan assets are managed by Insurance group viz. Life Insurance Corporation of India which has invested the funds substantially as under :

Particulars	Gratuity		Leave Encashment	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Insurance Fund	7.99	6.51	3.85	3.08
<b>Total</b>	<b>7.99</b>	<b>6.51</b>	<b>3.85</b>	<b>3.08</b>



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Crore)

Particulars	Gratuity	
	As at 31.03.2022	As at 31.03.2021
1 <sup>st</sup> Following Year	1.03	0.41
2 <sup>nd</sup> Following Year	0.33	0.33
3 <sup>rd</sup> Following Year	0.31	0.42
4 <sup>th</sup> Following Year	0.22	0.52
5 <sup>th</sup> Following Year	0.29	0.71
Sum of Years 6 to 10	2.91	2.63
Sum of Years 11 and above	25.63	19.77

## 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.

\* ₹ 2,310/-

\*\* ₹ 1,731/-

## Note : 38 Share-Based payments

### Equity-settled share option plan

The Group has instituted Employee Stock Option Scheme (ESOP 2021) to designated employees of the Parent and its Subsidiaries. In accordance with the terms of the plan, as approved by shareholders through Postal Ballot on 2<sup>nd</sup> December 2021, designated employees with the Group may be granted options to purchase equity shares.

Each employee share option converts into one equity share of the Company on exercise. Payment of the Exercise Price shall be made by a crossed cheque, or a demand draft drawn in favor of the Company or in such other manner as the Committee may decide from time to time. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time during the set exercise period. The Options not exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options. Options stands cancelled if the employee leaves the Group before the options vest.

Appraisal process for determining the eligibility of the Employees will be based on designation, criticality, high potential, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

### A. The following table sets forth the particulars of the options outstanding as on March 31, 2022 under ESOP 2021:

Scheme	ESOP 2021	
	01-Feb-22	01-Feb-22
Date of Grant	01-Feb-22	01-Feb-22
Number of options granted	13,761	27,939
Number of options outstanding	13,761	27,939
Exercise price per option	₹ 4,177	₹ 4,177
Fair value of option on grant date	₹ 1,801.58	₹ 1,920.99
Vesting period	2 years from the date of grant	3 years from the date of grant
Exercise period	upto 31 <sup>st</sup> January, 2026	upto 31 <sup>st</sup> January, 2026

### B. Details of the share options outstanding during the year are as follows:

Particulars	2021-22	
	Number of share options	Weighted average exercise price (in ₹)
Outstanding at beginning of year	-	-
Granted during the year	41,700	1,881.58
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	41,700	1,881.58
Exercisable at the end of the year	-	-

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

C. The aggregate of the estimated fair values of the options granted is ₹7.85 Crore. The inputs into the Black Scholes Pricing model are as follows:

Scheme - "ESOP 2021"	2021-22
<b>Vesting 1 - Options</b>	
Weighted average share price per option	4,993.80
Weighted average exercise price per option	4,177.00
Expected volatility	29.79%
Expected life	3.00
Risk-free rate	5.71%
<b>Vesting 2 - Options</b>	
Weighted average share price per option	4,993.80
Weighted average exercise price per option	4,177.00
Expected volatility	29.79%
Expected life	3.50
Risk-free rate	6.00%

Expected volatility was determined by calculating the historical volatility of the Group's share price on NSE based on the price data for last 12 months up to the date of grant.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The Group recognised total expenses of ₹ 0.49 Crore and ₹ NIL related to equity-settled share-based payment transactions in F.Y. 2021-22 and 2020-21 respectively.

## Note : 39 Financial Instruments :

### Note : 39.1 Capital Management

For the purposes of the Group's capital management, capital includes issued capital and all other equity. The primary objective of the Group's capital management is to maximise shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). The Group is not subject to any externally imposed capital requirement.

(₹ in Crore)

Particulars	As at	As at
	31.03.2022	31.03.2021
(a) Interest bearing loans and borrowings	504.94	491.67
(b) Less: cash and bank balance (including other bank balance)	327.74	292.28
<b>(c) Net debt (a) - (b)</b>	<b>177.20</b>	<b>199.39</b>
(d) Equity share capital	2.92	2.92
(e) Other equity	524.19	403.32
<b>(f) Total capital (d) + (e)</b>	<b>527.11</b>	<b>406.24</b>
<b>(g) Total capital and net debt (c) + (f)</b>	<b>704.30</b>	<b>605.63</b>
<b>(h) Gearing ratio (c)/(g)</b>	<b>25.16%</b>	<b>32.92%</b>

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## Note : 39.2 Categories of Financial Instruments :

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Financial assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
(a) Mandatorily measured		
(i) Investment in Growth mutual fund	0.08	0.67
(b) Designated as at FVTPL		
(i) Investment in equity instruments	0.01	-
<b>Measured at amortised cost</b>		
(a) Cash and bank balances	327.74	292.28
(b) Other financial assets at amortised cost		
(i) Trade Receivables	356.23	309.61
(ii) Loans	2.24	0.08
(iii) Others	93.19	77.41
<b>Financial liabilities :</b>		
<b>Measured at amortised cost</b>		
Borrowings	504.93	491.67
Lease Liabilities	130.87	140.95
Trade Payables	391.19	302.16
Others	35.22	30.03

## Note : 39.3 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.

### Note : 39.3.1 Market Risk management

Market risk refers to the possibility that changes in the market rates may have impact on the group's profits or the value of its holding of financial instruments. The group is exposed to market risks on account of foreign exchange rates, interest rates and underlying investment prices.

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and investment prices.

#### (a) Foreign currency exchange rate risk:

The group's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the group.

The Group operates locally in India and internationally and a portion of the business is transacted in several currencies and consequently, the Group at consolidated level is exposed to foreign exchange risk through its business transactions in the India and Overseas.

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.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

The foreign currency risk from financial assets and liabilities as at March 31, 2022 is as follows : (₹ in Crore)

Particulars	Cash and cash equivalents	Trade receivables	Other financial assets	Trade payables	Other financial liabilities
EUR	212.16	335.60	96.27	(152.13)	(531.02)
GBP	23.11	19.81	-	(8.56)	(5.36)
CNY	47.33	11.54	39.73	(19.87)	(20.80)
MXN	1.81	1.51	0.14	(0.52)	(0.91)
BRL	12.52	16.45	0.14	(8.25)	(0.07)
SGD	-	0.51	-	-	-
USD	247.62	193.51	10.27	(108.78)	(349.62)
CHF	-	-	-	-	-

The foreign currency risk from financial assets and liabilities as at March 31, 2021 is as follows : (₹ in Crore)

Particulars	Cash and cash equivalents	Trade receivables	Other financial assets	Trade payables	Other financial liabilities
EUR	67.92	100.68	21.54	(66.51)	(154.45)
GBP	29.80	12.17	-	(9.68)	(3.49)
CNY	28.75	3.75	5.77	(12.14)	(18.96)
MXN	7.06	2.08	0.13	(0.72)	(1.34)
BRL	12.86	7.01	0.11	(5.66)	(0.15)
SGD	0.10	0.29	-	-	-
USD	4.42	11.09	0.99	(0.96)	(59.37)
CHF	-	-	-	(0.01)	-
JPY	-	-	-	(1.39)	-
SAR	-	-	-	(0.15)	-

With respect to the Group's financial instruments (as given above), a 5% increase / decrease in relation to foreign currency rate on the underlying would have resulted in increase /decrease of ₹ 2.03 Crore (₹ 0.92 Crore) in the Group's net profit for the year ended 31-March-2022 and 31-March-2021 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 ₹ 504.94 Crore and ₹ 491.67 Crore at the end of 31-March-2022 and 31-March-2021 respectively. The impact of increase/decrease of 50 basis points in interest rates would result in increase/decrease of ₹ 2.52 Crore (₹ 2.46 Crore) in the Company's net profit for the year ended 31-March-2022 and 31-March-2021 respectively.

## (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, 2022 would increase/decrease by NIL (for the year ended March 31, 2021 ₹ 0.03 Crore) as a result of the change in fair value of investments.

## Note : 39.3.2 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

## Notes to Consolidated Financial Statements

for the year ended March 31, 2022

the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business.

The group does not have significant concentration of credit risk related to trade receivables and there are no customers which contribute to more than 5% of total outstanding accounts receivable as at any reporting period end.

### Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 779.49 Crore and ₹ 680.05 Crore as at 31-March-2022 and 31-March-2021 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.

### Note : 39.3.3 Liquidity risk management:

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The table below include only principal cash flows in relation to non-derivative financial liabilities. (₹ in Crore)

Particulars	Up to 1 year	1 to 5 years	5 years and above
<b>As at 31<sup>st</sup> March, 2022</b>			
Trade payable	391.19	-	-
Other Financial Liabilities	35.22	-	-
Borrowing	55.31	449.62	-
Lease Liabilities	21.50	109.37	-
<b>Total</b>	<b>503.22</b>	<b>558.99</b>	<b>-</b>
<b>As at 31<sup>st</sup> March, 2021</b>			
Trade payable	302.16	-	-
Other Financial Liabilities	30.03	-	-
Borrowing	48.91	175.78	266.98
Lease Liabilities	19.39	63.54	58.02
<b>Total</b>	<b>400.49</b>	<b>239.32</b>	<b>325.00</b>

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.

Particulars	Up to 1 year	1 to 5 years	5 years and above
<b>As at 31<sup>st</sup> March, 2022</b>			
Investments	0.08	0.01	-
Trade receivables	356.23	-	-
Cash & Cash equivalents	290.58	-	-
Bank balances other than above	37.16	-	-
Loans	0.42	1.82	-
Other Financial Assets	88.41	4.78	-
<b>Total</b>	<b>772.88</b>	<b>6.61</b>	<b>-</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Crore)

Particulars	Up to 1 year	1 to 5 years	5 years and above
<b>As at 31<sup>st</sup> March, 2021</b>			
Investments	0.67	-	-
Trade receivables	309.61	-	-
Cash & Cash equivalents	243.47	-	-
Bank balances other than above	48.81	-	-
Loans	0.08	-	-
Other Financial Assets	74.21	3.20	-
<b>Total</b>	<b>676.85</b>	<b>3.20</b>	<b>-</b>

## Note : 40 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 Crore)

Financial Assets / Financial Liabilities	Fair Value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)
	31.03.2022	31.03.2021		
1. Investments in Mutual Funds (Note 10)	0.08	0.22	Level 1	Quoted bid prices in an active market
2. Investments in equity instruments (Unquoted) (Note 10)	0.01	0.00*	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 10)	-	0.45	Level 1	Quoted bid prices in an active market

\* ₹ 1,33,250/-

**Note 1:** Significant unobservable inputs for Financial Instruments classified under "Level - 3" Fair Value hierarchy are Net Assets of the investee group as on the date of Fair Valuation.

**Note 2:** Reconciliation of Level 3 fair value measurements

Particulars	Unlisted Equity Instrument
<b>Opening Balance as at 1<sup>st</sup> April, 2020</b>	<b>0.00</b>
Total Gain/(Loss) in statement of P&L	-
<b>Closing Balance as at 31<sup>st</sup> March, 2021</b>	<b>0.00</b>
<b>Opening Balance as at 1<sup>st</sup> April, 2021</b>	<b>0.00</b>
Investment made during the year	0.01
Total Gain/(Loss) in statement of P&L	-
<b>Closing Balance as at 31<sup>st</sup> March, 2022</b>	<b>0.01</b>



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## Note : 41 Related Party Disclosures

<b>(l) List of Related parties</b>		
<b>(a) Parties where control exists:</b>		
<b>(i) Ultimate Holding Company</b>		
Pfaudler International s.a.r.l.		Upto 31/01/2021
<b>(ii) Holding Company</b>		
Pfaudler Inc.		Upto 31/01/2021
<b>(b) Fellow Subsidiaries</b>		
Pfaudler GMBH	}	
Pfaudler Balfour Ltd.		
Edlon PSI Inc.		
Pfaudler (Chang Zou) Process Equipment Company Limited		
Glasteel Parts and Services, Inc.		
Pfaudler s.r.l.		
Pfaudler Limited		
Pfaudler Rochester, USA		
Pfaudler Process Solution Group U.K. Limited		
Pfaudler LtdA, Brazil		
Normag Labournd Prozees Technik GMBH		
Interseal Dipl. - Ing. Rofl Schmitz GMBH		
Pfaudler Services Benelux B.V		
Pfaudler Normag System GMBH		
Pfaudler Interseal Gmbh		
<b>(c) Key management personnel</b>		
Mr. Tarak A. Patel	Managing Director	
Mr. Ashok C. Pillai	Chief Operating Officer	upto 31/03/2022
Mr. Aseem Joshi	Chief Executive Officer	w.e.f 08/11/2021
Mr. Manish Poddar	Chief Integration Officer	from 21/10/2020 to 19/01/2021
Mr. Manish Poddar	Chief Financial Officer	w.e.f 20/01/2021
Ms. Mittal Mehta	Company Secretary	
Mr. Jugal Sahu	Chief Financial Officer	Upto 19/01/2021
<b>(d) Relative of Key management personnel</b>		
Mr. Ashok J. Patel	Father of Mr. Tarak A. Patel	
Mrs. Urmi A. Patel	Mother of Mr. Tarak A. Patel	
Mr. Uttara G. Gelhaus	Sister of Mr. Tarak A. Patel	
Mrs. Payal T. Patel	Wife of Mr. Tarak A. Patel	
<b>(e) Other related parties with whom transaction have been taken place during the year:</b>		
<b>Enterprises over which key managerial personnel have significant influence:</b>		
Skyline Millars Ltd.		
Ready Mix Concrete Ltd.		
Ashok J Patel - HUF		
A J Patel Charitable Trust		
J V Patel & Co.		
Prestige Tefparts Private Ltd		
Millars Concrete Technologies Private Ltd		
Solaris Chemtech Industries Ltd		
DECBectochem Engineering Pvt. Ltd		

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Crore)

Particulars	Holding Company		Fellow Subsidiaries		Key Management Personnel		Relative of Key Management Personnel		Other Related Parties	
	For the Year ended 31.03.2022	For the Year ended 31.03.2021	For the Year ended 31.03.2022	For the Year ended 31.03.2021	For the Year ended 31.03.2022	For the Year ended 31.03.2021	For the Year ended 31.03.2022	For the Year ended 31.03.2021	For the Year ended 31.03.2022	For the Year ended 31.03.2021
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
<b>Transactions during the year</b>										
Purchase of goods	-	5.21	-	-	-	-	-	-	0.06	-
Sale of goods	2.80	-	19.24	-	-	-	-	-	1.96	0.04
Services received	-	-	-	-	-	-	-	-	0.08	0.03
Services provided	0.19	0.01	-	-	-	-	-	-	-	-
Royalty	2.92	-	-	-	-	-	-	-	-	-
Lease Rent paid	-	-	-	-	-	-	-	-	6.03	5.81
Remuneration **	-	-	-	-	14.82*	9.65	1.42	1.37	-	-
Dividend paid	3.17	-	-	-	0.09	0.09	0.40	0.40	0.27	0.27
Directors Sitting Fees	-	-	-	-	0.73	0.72	-	-	-	-
Commission Payment	0.11	-	-	-	-	-	-	-	-	-
Repayment of Loan	-	16.88	-	-	-	-	-	-	-	-
<b>Balance outstanding#</b>										
Payables	-	-	-	-	7.04	4.93	-	-	1.53	0.02
Advance Received	-	-	-	-	-	-	-	-	-	0.45
Deposit outstanding	-	-	-	-	-	-	-	-	2.42	2.42

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

\* Remuneration of ₹ 0.61 Crore was paid to Managing Director in respect of GMM International s.a.r.l which relates to previous financial year which was approved by shareholders at the Annual General Meeting conducted on August 13, 2021.

\*\* Remuneration disclosed above is approved by Nomination and Remuneration Committee (NRC).

## Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(III) Significant Related Party Transactions are as under:

(₹ in Crore)

Nature of transactions	Name of Party	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Transaction during the year</b>			
Purchase of goods	Pfaudler GMBH	-	2.89
	Pfaudler Interseal GmbH	-	1.79
Sale of goods	Pfaudler Inc.	-	2.80
	Pfaudler S.r.l	-	16.85
	Suzhou Pfaudler Glass Lined Equipment Co. Ltd.	-	0.15
Services received	Millars Concrete Technologies Private Ltd	0.08	0.03
Services provided	Pfaudler Inc.	-	0.19
Lease rent paid	Ready Mix Concrete Ltd.	2.92	2.92
	J V Patel & Co.	2.86	2.72
Royalty	Pfaudler Inc.	-	3.67
Remuneration paid	Mr. Ashok Patel	1.42	1.37
	Mr. Tarak A. Patel	10.95	6.88
	Mr. Ashok Pillai	1.42	1.29
	Mr. Jugal Sahu	-	0.65
	Mr. Manish Poddar	1.11	0.49
	Mr. Aseem Joshi	0.92	-
Dividend paid	Pfaudler Inc	-	3.17
Commission Payment	Pfaudler Inc	-	0.11
Repayment of loan	Pfaudler GMBH	-	16.88
<b>Balances outstanding as at year end</b>			
Deposit outstanding	Ready Mix Concrete Ltd.	1.23	1.23
	J V Patel & Co.	1.14	1.14
<b>Key Managerial Personal</b>			
Payable	Mr. Tarak A. Patel	6.15	4.43
	Mr. Assem Joshi	0.24	-
	Mr. Ashok Pillai	0.40	0.36
	Mr. Manish Poddar	0.20	-
	Mr. Jugal Sahu	-	0.08

### Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Short-term employee benefits	12.79	10.10
Post-employment benefits	2.72	0.26
Other long-term benefits	0.04	0.01
<b>Total</b>	<b>15.55</b>	<b>10.37</b>

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, 2022

## Note : 42 Segment Reporting

(₹ in Crore)

### (a) Reportable segment based on geographical area

Particulars	India		Overseas		Total	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Revenue :						
Total External Sales	706.34	616.55	1,834.23	384.57	2,540.57	1,001.12
Segment Results:						
<b>Profit / (Loss) before Tax and Interest</b>	<b>121.61</b>	<b>112.38</b>	<b>36.37</b>	<b>(34.14)</b>	<b>157.98</b>	<b>78.24</b>
Less: Interest Expense					24.60	10.18
<b>Profit before Tax</b>					<b>133.38</b>	<b>68.06</b>
Taxes					58.02	4.51
<b>Net Profit after Tax</b>					<b>75.36</b>	<b>63.55</b>
Segment Assets	645.20	488.16	2,082.37	1,929.42	2,727.57	2,417.58
<b>Total Assets</b>	<b>645.20</b>	<b>488.16</b>	<b>2,082.37</b>	<b>1,929.42</b>	<b>2,727.57</b>	<b>2,417.58</b>
Segment Liabilities	373.96	294.11	1,685.22	1,601.62	2,059.18	1,895.73
<b>Total Liabilities</b>	<b>373.96</b>	<b>294.11</b>	<b>1,685.22</b>	<b>1,601.62</b>	<b>2,059.18</b>	<b>1,895.73</b>
Capital Expenditure	48.94	78.95	23.09	7.30	72.03	86.25
Depreciation	27.78	28.95	80.97	12.42	108.75	41.37

#### Notes:

- 1) Considering the recent acquisition of majority stake in Pfaudler business, the Group has internally reorganized its business segments in line with the reviews performed by Chief Operating Decision Maker (CODM) regarding resource allocation and performance management, the group has classified geography (India and Overseas) as reportable segments which is in line with Ind AS 108, Operating Segments.
- 2) Segment revenue, results, assets and liabilities include amounts that are directly attributable to the respective segments. Amounts not directly attributable have been allocated to the segments on the best judgment of the management in the absence of detailed internal financial reporting system.
- 3) All reporting segments within the group follow a common accounting policies described in Note 4.
- 4) In accordance with 'Ind AS 108 – Operating Segments', the segment information in respect of previous year reported have been regrouped based on geography (India and Overseas).

#### Entity wide Disclosure

##### (i) Non-current operating assets:

Particulars	31.03.2022	31.03.2021
India	232.91	180.57
Overseas	722.23	802.56
<b>Total</b>	<b>955.14</b>	<b>983.13</b>

##### (b) Revenue from external customers for each product line

Product lines	Total	
	31.03.2022	31.03.2021
Technologies	1,541.85	766.81
Systems	314.94	84.11
Services	683.78	150.20
<b>Total</b>	<b>2,540.57</b>	<b>1,001.12</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## Note : 43 Earning Per Share (EPS)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
The following reflects the Profit and Share data used in the Basic and Diluted EPS computations:		
Net profit attributable to equity shareholders (₹ in Crore)	85.05	73.44
Weighted average number of Equity Shares in calculating basic EPS (a)	14,617,500	14,617,500
Add: Effect of Employee stock option (b)	3,146	-
Weighted average number of Equity Shares in calculating Diluted EPS (a+b)	14,620,646	14,617,500
Face value of Equity Share in ₹	2	2
Earnings per share (Basic) ₹	58.18	50.24
Earnings per share (Diluted) ₹	58.17	50.24

## Note : 44 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, 2022

(₹ in Crore)

Sr. No.	Name of Entity	Net Asset i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated net asset	Amount	As % of Consolidated net asset	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated profit or loss	Amount
<b>Holding Co.</b>									
	GMM Pfaudler Limited	66.52%	444.62	126.01%	94.96	-1.19%	(0.87)	63.34%	94.09
<b>Subsidiaries</b>									
<b>Foreign-</b>									
1	Mavag AG	18.11%	121.05	26.79%	20.19	40.95%	29.97	33.77%	50.16
2	GMM International S.a.r.l	53.26%	356.00	-28.04%	(21.13)	0.00%	-	-14.23%	(21.13)
3	Pfaudler GmbH (Germany)	25.83%	172.64	-10.41%	(7.84)	49.88%	36.50	19.29%	28.66
4	Pfaudler Normag Systems GmbH (Germany)	2.40%	16.07	2.50%	1.88	0.12%	0.09	1.33%	1.97
5	Pfaudler Interseal GmbH (Germany)	4.40%	29.41	14.07%	10.60	0.00%	-	7.14%	10.60
6	Pfaudler services Benelux B.V. (Netherlands)	1.33%	8.91	4.98%	3.75	0.00%	-	2.53%	3.75
7	Pfaudler s.r.l. (Italy)	41.44%	276.99	10.91%	8.22	0.00%	-	5.54%	8.22
8	Pfaudler Limited (UK)	24.54%	164.00	15.26%	11.50	12.28%	8.99	13.79%	20.49
9	Pfaudler (Chang Zou) Process Equipment Company Limited (China)	10.49%	70.11	7.87%	5.93	0.00%	(0.00)	3.99%	5.93
10	Pfaudler SA de CV (Mexico)	0.58%	3.90	2.06%	1.55	0.02%	0.01	1.05%	1.56
11	Edlon, Inc. (USA)	9.56%	63.92	8.17%	6.16	0.00%	-	4.14%	6.16
12	GMM Pfaudler US Inc (USA)	-4.26%	(28.47)	33.21%	25.03	11.65%	8.52	22.59%	33.55
13	Pfaudler Ltda. (Brazil)	6.83%	45.66	21.76%	16.40	0.00%	-	11.04%	16.40
14	Pfaudler Private Limited (Singapore)	0.07%	0.46	0.13%	0.10	0.00%	-	0.06%	0.10
<b>Domestic-</b>									
15	GMM Pfaudler Foundation	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
	Consolidation Adjustment	-161.12%	(1,076.89)	-135.28%	(101.94)	-13.71%	(10.03)	-75.38%	(111.97)
	<b>Total</b>		<b>668.39</b>		<b>75.36</b>		<b>73.18</b>		<b>148.54</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(b) As at and for the year ended March 31, 2021

(₹ in Crore)

Sr. No.	Name of Entity	Net Asset i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated net asset	Amount	As % of Consolidated net asset	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated profit or loss	Amount
<b>Holding Co.</b>									
	GMM Pfaudler Limited	68.48%	357.35	149.65%	95.10	-6.94%	(1.52)	109.51%	93.58
<b>Subsidiaries</b>									
<b>Foreign-</b>									
1	Mavag AG	17.32%	90.40	15.96%	10.14	6.07%	1.33	13.42%	11.47
2	GMM International S.a.r.l	69.72%	363.83	-12.24%	(7.78)	0.00%	-	-9.10%	(7.78)
3	Pfaudler GmbH (Germany)	34.41%	179.57	-0.76%	(0.48)	62.19%	13.62	15.38%	13.14
4	Pfaudler Normag Systems GmBH (Germany)	12.70%	66.29	-9.02%	(5.73)	0.27%	0.06	-6.64%	(5.67)
5	Pfaudler Interseal GmbH (Germany)	9.00%	46.97	2.93%	1.86	0.00%	-	2.18%	1.86
6	Pfaudler services Benelux B.V. (Netherlands)	4.58%	23.92	-0.52%	(0.33)	0.00%	-	-0.39%	(0.33)
7	Pfaudler s.r.l. (Italy)	15.48%	80.80	-2.11%	(1.34)	-0.41%	(0.09)	-1.67%	(1.43)
8	Pfaudler Limited (UK)	30.88%	161.17	-3.49%	(2.22)	0.00%	-	-2.60%	(2.22)
9	Pfaudler (Chang Zou) Process Equipment Company Limited (China)	16.05%	83.77	-4.59%	(2.92)	7.53%	1.65	-1.49%	(1.27)
10	Pfaudler SA de CV (Mexico)	2.24%	11.69	-0.72%	(0.46)	0.00%	-	-0.54%	(0.46)
11	Edlon, Inc. (USA)	20.46%	106.77	14.00%	8.90	33.52%	7.34	19.01%	16.24
12	GMM Pfaudler US Inc (USA)	26.06%	136.01	-17.81%	(11.32)	0.00%	-	-13.25%	(11.32)
13	Pfaudler Ltda. (Brazil)	11.83%	61.76	1.01%	0.64	0.00%	-	0.75%	0.64
14	Pfaudler Private Limited (Singapore)	0.07%	0.35	0.02%	0.01	0.00%	-	0.01%	0.01
	Consolidation Adjustment	-239.30%	(1,248.80)	-32.29%	(20.52)	-2.24%	(0.49)	-24.59%	(21.01)
	<b>Total</b>		<b>521.85</b>		<b>63.55</b>		<b>21.90</b>		<b>85.45</b>

**Note : 45** The company had successfully bid in E-auction sale of asset under IBC, 2016 of HDO Technologies Limited on March 16, 2021 with bid value of ₹ 58.46 Crore. The company has concluded the acquisition on April 23, 2021. following assets and liabilities are recognised as at the date of acquisition:

Particulars	(₹ in Crore)	
	Amount	
Building	9.67	
Right of use assets (Leasehold land)	37.93	
Furniture & fixture	0.07	
Intangible assets	0.15	
Office equipment	0.07	
Plant & Machinery	9.40	
Vehicle	0.06	
CWIP	1.11	
<b>Total</b>	<b>58.46</b>	



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## Note : 46 Non-Controlling Interest

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	115.61	-
Non-Controlling Interests arising on the acquisition	-	113.87
Share of Profit for the year	(9.69)	(9.89)
Movement during the year in Foreign Currency Translation Reserve	5.34	(5.09)
Share of Other Comprehensive Income for the year	25.20	15.78
Other adjustments	4.82	0.94
<b>Total</b>	<b>141.28</b>	<b>115.61</b>

## Note : 47 Business Combination

During the previous year, the Group has acquired majority stake (54%) in Pfaudler overseas business through an SPV - GMM International S.a.r.l. on a going concern basis in terms of definite agreement on August 20, 2020 at a consideration of ₹ 201.56 Crore.

The purchase price was allocated to assets acquired and liabilities assumed based on the provisional fair values as at the date of acquisition in accordance with Ind AS 103 - Business Combinations. During the current year, the Group has completed the Purchase Price Allocation and realigned the values of assets and liabilities acquired on acquisition in accordance with the final fair values.

The following table summarises the recognised amounts of assets acquired and liabilities assumed:

(₹ in Crore)

Particulars	Final Fair Value	Provisional Fair Value
<b>Non-current assets</b>		
(a) Property, Plant & Equipment	252.33	252.33
(b) Right of Use Assets	127.03	127.03
(c) Capital work-in-progress	1.79	1.79
(d) Other Intangible Assets	444.19	445.49
(e) Other non-current financial assets	0.24	0.24
(f) Deferred Tax Assets (net)	31.19	29.56
(g) Other non-current assets	6.27	6.27
<b>Current assets</b>		
(a) Inventories	512.02	520.70
(a) Financial Assets		
(i) Trade Receivables	164.28	164.28
(ii) Cash & Cash Equivalents	177.80	177.80
(iii) Bank balances other than above Cash & Cash Equivalents	17.14	17.14
(iv) Others current financial assets	28.92	28.92
(v) Other current assets	57.22	57.22
Accumulated retained earnings	0.27	0.27
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	(335.64)	(335.64)
(ii) Lease liabilities	(113.38)	(113.38)
(b) Deferred tax liabilities (net)	(50.98)	(52.53)
(c) Long term provisions	(505.42)	(505.42)
(d) Others non current liabilities	(11.60)	(11.60)

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Particulars	(₹ in Crore)	
	Final Fair Value	Provisional Fair Value
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Lease liabilities	(13.64)	(13.64)
(ii) Trade payables	(183.44)	(177.15)
(iii) Other current financial liabilities	(18.48)	(18.48)
(b) Current Provisions	(79.22)	(75.13)
(c) Current tax liabilities (net)	(12.29)	(12.29)
(d) Other current liabilities	(249.06)	(249.06)
<b>Net asset acquired</b>	<b>247.54</b>	<b>264.72</b>

## Goodwill arising on acquisition

Particulars	(₹ in Crore)	
	Final Fair Value	Provisional Fair Value
Consideration transferred	201.56	201.56
Plus: Non-controlling interests (46%)	113.87	121.77
Less: Fair value of identifiable net assets acquired	(247.54)	(264.72)
Less: Forex difference	(0.72)	(0.72)
<b>Goodwill arising on acquisition</b>	<b>67.17</b>	<b>57.89</b>

Goodwill arising on these acquisition is not deductible for tax purposes.

Acquisition-related costs amounting to ₹ 20.18 crore have been excluded from the consideration transferred and have been recognized as an expense in profit or loss in the previous year, within the 'exceptional item' line item. Exceptional item also includes ₹ 13.34 crore acquisition-related costs incurred by overseas subsidiary in the previous year.

### 48 Proposed Dividend:

The Board of Directors in their meeting held on 25<sup>th</sup> May, 2022, have recommended a final equity dividend of ₹ 3 per equity share of ₹ 2 each pre bonus (which translates to ₹ 1 per equity share of face value of ₹ 2 each post bonus), subject to approval by shareholders of the Parent.

### 49 Bonus shares:

The board of Directors has approved issuance of Bonus shares in the ratio of 2 Equity Share of ₹ 2 each for every 1 Equity share of ₹ 2 each held by the shareholders on the record date, subject to shareholders and regulatory approvals.

**50** The financial statements for the year ended March 31, 2022 were approved for issue by the Board of Directors on May 25, 2022.

**51** The group has decided to present the results in crore for this financial year onwards. Accordingly, the comparative period presented have been converted from million to crore.

## Notes to Consolidated Financial Statements

for the year ended March 31, 2022

- 52** No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:
- a) Crypto Currency or Virtual Currency
  - b) Undisclosed income
  - c) Struck off Companies
  - d) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
  - e) Relating to borrowed funds:
    - (i) Wilful defaulter
    - (ii) Utilization of borrowed funds
    - (iii) Discrepancy in utilization of borrowings
    - (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
      - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate beneficiaries) or
      - (b) provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.
    - (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
      - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries) or
      - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.
- 53** In compliance with Ministry of Corporate Affairs notification w.r.t to amendment in Schedule III to the Companies Act, 2013 effective from April 01, 2021, figures for comparative previous periods has been regrouped/reclassified, wherever necessary.

For and on behalf of the Board of Directors of GMM Pfaudler Limited

**Dr. S. Sivaram**

Chairman  
DIN: 00009900  
Mumbai, May 25, 2022

**Tarak Patel**

Managing Director  
DIN: 00166183  
Mumbai, May 25, 2022

**Manish Poddar**

Chief Financial Officer  
FCA 098238  
Mumbai, May 25, 2022

**Mittal Mehta**

Company Secretary  
FCS 7848  
Mumbai, May 25, 2022

## GRI Content Index

Disclosure Number (GRI)	Indicator Details	Section Name	Page No.
102-1	Name of the organisation	Details of Listed Entity	160
102-2	Activities, brands, products, and services	Brand Architecture	6
102-3	Location of the organisation's headquarters	Details of Listed Entity	160
102-4	Location of operations	Brand Architecture	08-09
102-6	Markets served	Brand Architecture	08-09
102-7	Scale of the organization	Brand Architecture	06-09
102-8	Information on employees and other workers	Employees	46-47
102-14	Statement from senior decision-maker	Management Comments	16
102-15	Key impacts, risks, and opportunities	Opportunities and Threats & Risks and Concerns	92-95
102-16	Values, principles, standards, and norms of behaviour	Our Vision, Our Mission & Our values	2-3
102-17	Mechanisms for advice and concerns about ethics	Employees	46-47
102-18	Governance structure	Governance and Report on Corporate Governance	64-67 & 135-139
102 - 21	Consulting stakeholders on economic, environmental, and social topics	Stakeholders Engagement	26-27
102-40	List of stakeholder groups	Stakeholders Engagement	26-27
102-42	Identifying and selecting stakeholders	Stakeholders Engagement	26-27
102-43	Approach to stakeholder engagement	Stakeholders Engagement	26-27
102-44	Key topics and concerns raised	Stakeholders Engagement	26-27
102-45	Entities included in the consolidated financial statements	List of subsidiaries	257
102-46	Defining report content and topic Boundaries	Our Approach	24 (The disclosures under this report are made on standalone basis)
102-47	List of material topics	Materiality Assessment	28-29
102-50	Reporting period	FY22	FY22
102-52	Reporting cycle	Annual basis	Annual basis
102-53	Contact point for questions regarding the report	Details of Listed Entity	160
102-54	Claims of reporting in accordance with the GRI Standards	Our Approach	24
102-55	GRI content index	Alignment with standards	310-312
<b>Economic</b>			
201-1	Direct economic value generated and distributed	Financial Performance	85-86
205-2	Communication and training about anti-corruption policies/procedures	Business Responsibility and Sustainability Report	169
<b>Environment</b>			
103-1	Explanation of the material topic and its Boundary	Environment	34
103-2	The management approach and its components	Energy and Emissions	35-38
103-3	Evaluation of the management approach	Energy and Emissions	35-38
302-1	Energy consumption within the organization	Energy and Emissions	35
302-3	Energy intensity	Energy and Emissions	35
302-4	Reduction of energy consumption	Energy and Emissions	35-38
103-1	Explanation of the material topic and its Boundary	Environment	34

Disclosure Number (GRI)	Indicator Details	Section Name	Page No.
103-2	The management approach and its components	Water Management	39
103-3	Evaluation of the management approach	Water Management	39
303-1	Interactions with water as a shared resource	Water Management	39
303-2	Management of water discharge-related impacts	Water Management	39
303-3	Water withdrawal	Water Management	39
303-4	Water discharge	Water Management	39
303-5	Water consumption	Water Management	39
103-1	Explanation of the material topic and its Boundary	Environment Sustainability	41
103-2	The management approach and its components	Environment Sustainability	41-45
103-3	Evaluation of the management approach	Environment Sustainability	41-45
304-3	Habitats protected or restored	Environment Sustainability	41-45
103-1	Explanation of the material topic and its Boundary	Environment	34
103-2	The management approach and its components	Energy and Emissions	35-38
103-3	Evaluation of the management approach	Energy and Emissions	35-38
305-1	Direct (Scope 1) GHG emission	Energy and Emissions	35
305-2	Indirect (Scope 2) GHG emissions	Energy and Emissions	35
305-4	GHG emissions intensity	Energy and Emissions	35
305-5	Reduction of GHG emissions	Energy and Emissions	35-38
103-1	Explanation of the material topic and its Boundary	Environment	34
103-2	The management approach and its components	Waste Management	40-41
103-3	Evaluation of the management approach	Waste Management	40-41
306-1	Waste generation and significant waste-related impacts	Waste Management	40-41
306-2	Management of significant waste-related impacts	Waste Management	40-41
306-3	Waste generated	Waste Management	40-41
306-4	Waste diverted from disposal	Waste Management	40-41
306-5	Waste directed to disposal	Waste Management	40-41
307-1	Non-compliance with environmental laws and regulation	Environment Compliance	46
<b>Social</b>			
103-1	Explanation of the material topic and its Boundary	Social	46
103-2	The management approach and its components	Employees	46-48
103-3	Evaluation of the management approach	Employees	46-48
401-1	New employee hires and employee turnover	Workforce diversity	47
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee	Employee Benefits	48
401-3	Parental leave	Employee Benefits	48
103-1	Explanation of the material topic and its Boundary	Workplace Health & Safety	51
103-2	The management approach and its components	Workplace Health & Safety	51-52
103-3	Evaluation of the management approach	Workplace Health & Safety	51-52
403-1	Occupational health and safety management system	Workplace Health & Safety	51-52
403-2	Hazard identification, risk assessment, and incident investigation	Workplace Health & Safety	51-52
403-3	Occupational health services	Workplace Health & Safety	51-52

Disclosure Number (GRI)	Indicator Details	Section Name	Page No.
403-4	Worker participation, consultation and communication on occupational health and safety	Workplace Health & Safety	51-52
403-5	Worker training on occupational health and safety	Workplace Health & Safety	51-52
403-8	Workers covered by an occupational health and safety management system	Workplace Health & Safety	51-52
103-1	Explanation of the material topic and its Boundary	Training & Development	49
103-2	The management approach and its components	Training & Development	49
103-3	Evaluation of the management approach	Training & Development	49-51
404-1	Average hours of training per year per employee	Training & Development	49-51
404-2	Programs for upgrading employee skills and transition assistance programs	Training & Development	49-51
103-1	Explanation of the material topic and its Boundary	Employees	46
103-2	The management approach and its components	Workforce Diversity	47-48
103-3	Evaluation of the management approach	Workforce Diversity	47-48
405-1	Diversity of governance bodies and employees	Workforce Diversity	47
405-2	Ratio of basic salary and remuneration of women to men	Equal Opportunity & Pay	48
103-1	Explanation of the material topic and its Boundary	Human Rights	51
103-2	The management approach and its components	Human Rights	51
103-3	Evaluation of the management approach	Human Rights	51
410-1	Employee training on human rights policies and procedures	Human Rights	51
103-1	Explanation of the material topic and its Boundary	Customers	53
103-2	The management approach and its components	Customers	53
103-3	Evaluation of the management approach	Customers	53
416-1	Assessment of the health and safety impacts of product and service categories	Customers	53
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customers	53







GMM Pfaudler Limited  
902, Vios Tower, Commercial Tower 1, New Cuffe Parade  
Sewri-Chembur Road, Mumbai 400 037

[www.gmmpfaudler.com](http://www.gmmpfaudler.com)