ANNUAL REPORT 2018 - 19

ACHIEVING EXCELLENCE

GMM Pfaudler

Defining the standard

Corporate Information

CHAIRMAN

Dr. S. Sivaram

MANAGING DIRECTOR

Tarak Patel

DIRECTORS

Dr. Amrita Patel

Nakul Toshniwal

Ashok Patel

Thomas Kehl

Dr. Dominic Deller

Khurshed Thanawalla

KEY MANAGERIAL PERSONNEL

Ashok Pillai - Chief Operating Officer

Jugal Sahu - Chief Financial Officer

Mittal Mehta - Company Secretary

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP,

Chartered Accountants

INTERNAL AUDITORS

Kalyaniwalla & Mistry,

Chartered Accountants

SOLICITORS

L & L Partners

BANKERS

State Bank of India

Axis Bank Ltd.

Citibank N.A.

Yes Bank Ltd.

Hongkong and Shanghai Banking Corporation

REGISTERED OFFICE

Vithal Udyognagar,

Anand - Sojitra Road,

Karamsad - 388 325, Gujarat.

Tel.: +91 2692 661700 / 230416 / 230516

Fax: +91 2692 661888 / 236467

Email: worksko@gmmpfaudler.com

CORPORATE OFFICE

1001 Peninsula Towers,

Peninsula Corporate Park,

Ganpatrao Kadam Marg, Lower Parel,

Mumbai - 400 013, Maharashtra.

Tel: +91 22 6650 3900

Email: investorservices@gmmpfaudler.com

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.

C-101, 247 Park,

L.B.S. Marg, Vikhroli (West),

Mumbai - 400 083.

Tel: +91 22 4918 6270

Fax: +91 22 4918 6060

Email: gmminvestors@linktintime.co.in

Disclaimer :

This document contains statements about expected future events and financials of GMM Pfaudler Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis Report of GMM Pfaudler Limited's Annual Report for FY 2018-19.

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

Table of Contents

02-20 Corporate Overview

03 Achieving Excellence

04 Managing Director's Message

06 Board of Directors

08 Leading Supplier of Engineered Equipment

09 Much More Than Glass Lined

10 Our Facility & Key Milestones

12 An Organisation with Deep Values and Commitment

14 Financial Performance

16 CSR Highlights for the Year 2018-19

20 Ten Years' Financial Highlights

21-77 Statutory Reports

21 Management Discussions and Analysis

27 Notice

35 Board's Report

60 Report on Corporate Governance

78-170 Financial Section

78 Standalone Financial Statements

123 Consolidated Financial Statements

Investor information

CIN	: L29199GJ1962PLC001171
BSE code	: 505255
NSE code	: GMMPFAUDLR
Bloomberg code	: GMM IN Equity
Dividend for 2018-19	: ₹ 4.50 per equity share (225%) (Subject to approval of the members at the AGM)
Market Capitalization as on March 31, 2019	: Over ₹ 17,500 million
AGM date	: August 14, 2019
Venue	: Sardar Vallabhbhai Patel and Veer Vithalbhai Patel Memorial, Anand-Sojitra Road, Karamsad – 388 325, Gujarat.

GROWTH

Revenue and Profits in 2018-19

24%* INCREASE IN **CONSOLIDATED REVENUE**

21%* INCREASE IN **CONSOLIDATED PBT**

34%* INCREASE IN **STANDALONE REVENUE**

40%* INCREASE IN **STANDALONE PBT**

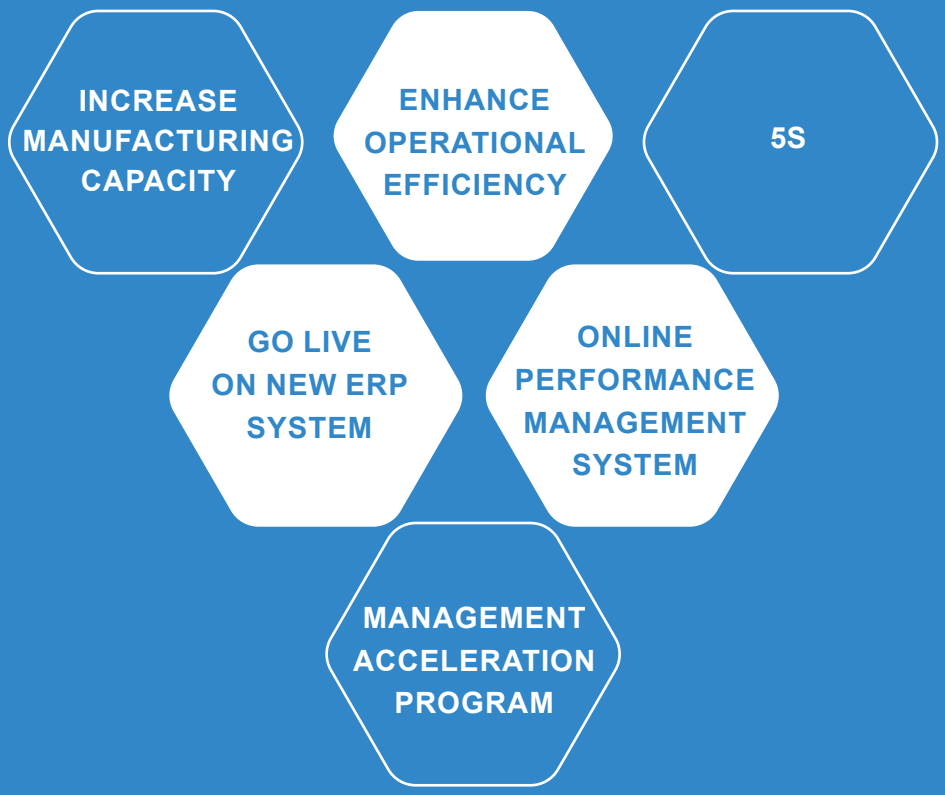
* From last year
PBT - Profit Before Tax

Achieving Excellence

The theme for the penultimate year of Mission 2020 is Achieving Excellence. We believe that by tightening up our systems and processes, we can reduce wastes (both materials and time) and therefore, decrease costs. We aim to make our business more efficient by:

- Determining where our company is "leaving money on the table"
- Determining where operational inefficiencies are impacting our bottom line
- Empowering our employees to look for inefficiencies and identify ways to save time and money

Strategic initiatives for financial year 2018-19



Managing Director's Message

We are pleased to announce the acquisition of Industrial Mixing Solutions Division from Sudarshan Chemical Industries Ltd. With this acquisition we will create a business vertical that will have a greater focus in the industrial mixing space and will provide our customers with innovative mixing technologies which will help them improve efficiencies and reduce costs.

TARAK PATEL
MANAGING DIRECTOR

DEAR SHAREHOLDERS,

It gives me great pleasure to talk about the year gone by. Our growth story remains intact and we have further strengthened our competitive position and continue to remain the preferred supplier for engineered equipment and systems to the chemical process industry. I am delighted to report that many of 'Mission 2020' strategic initiatives are finally paying rich dividends and have helped us and will continue to help us grow profitably. I believe that improvement is a never-ending process and we will continue to offer our customers new products, innovative technologies, faster delivery times and prompt after sales service. I am confident that we can continue our growth journey in the coming year.

India is expected to remain the worlds fastest growing large economy in 2019-20, with a GDP growth rate of 7.3%. Lower oil prices, softening interest rates and expected structural policy reforms will further strengthen our economy. The Indian economy remains well placed to achieve robust growth on the back of a stable government, favourable policies, lower inflation rates and increasing government spending on infrastructure and the rural sectors. However, trade uncertainty, global economic slowdown and volatile market conditions may pose a challenge.

The key industries that we serve, Pharmaceutical (Pharma), Agrochemical (Agro) and Speciality Chemical (Specialty) all continued to invest in new manufacturing facilities. Agro and Specialty showed significant increase in investment and accounted for nearly 59% of our total revenue. Pharma showed a slow down in capital spending due to FDA issues and pricing pressure in the US markets but still accounted for 30% of our total revenue. Looking forward, we believe that investment in these sectors will

continue and we expect both Agro and Specialty to drive growth in the coming year. We have also seen significant traction in new sectors such as Oil & Gas, Petrochemical, Fertilizers and Minerals & Metals and we expect promising opportunities in the coming months.

As I had mentioned earlier, the initiatives undertaken over the last few years have created a strong foundation for growth that has helped us to seamlessly transition into the penultimate year of our 'Mission 2020' Strategic Plan - 'Achieving Excellence'. Under the 'Achieving Excellence' initiative we have shown significant improvement in both revenues and profitability; we reported a consolidated and standalone revenue growth of 24% and 34% respectively and a consolidated and standalone profit before tax growth of 21% and 40% respectively over the previous year.

This year was noteworthy in terms of major projects launched and completed. We continued to create additional capacity for our Glass Lined and Heavy Engineering businesses. In our Glass Lined division, we hit a new high of 200 EU's (equivalent units) manufactured in a single month, this was a first for us and will hopefully become a new benchmark for throughput. In another first, our Heavy Engineering division manufactured the biggest equipment with a length of 41 meter, diameter of 4.8 meter and a weight of 154 MT column which puts us in a small and exclusive group of companies that can handle such large sizes. We went live with a new cloud based ERP solution which will help us improve efficiencies, decrease costs and streamline internal systems and processes. We have also recently launched an internal budgeting system which will help us build budgets from a bottom up approach rather than a top down approach and will also help us monitor and reduce costs.

We believe that our employees are our most important asset, with this in mind we have undertaken several initiatives in the last few years. During the year we began campus recruitment process to further strengthen our organization. We approached premier Business Schools and Technical Institutes, and following a rigorous evaluation process selected 8 Management Interns, 3 Engineering Interns and employed 4 Management Trainees. While the interns will go back to their academics after their internship period, the Management Trainees will be inducted into the Management Acceleration Program, an initiative that will help us build a young leadership pipeline.

Lastly, I am pleased to announce the acquisition of Industrial Mixing Solutions Division from Sudarshan Chemical Industries Ltd. With this acquisition we will create a business vertical that will have a greater focus in the industrial mixing space and will provide our customers with innovative mixing technologies which will help them improve efficiencies and reduce costs. We believe that this acquisition is a strategic fit and will reinforce our strategy of growing profitably and creating long term value for our shareholders.

Our relationship with our parent company - Pfaudler continues to remain strong. Our close and regular interaction with each other has helped both companies increase revenue, margins and market share and has also helped in strengthening our respective competitive positions in both India and globally.

Our CSR's initiatives have also seen substantial progress, we are grateful that we have been able to make a difference in the areas of healthcare, education and environment sustainability in the areas that we operate. We are thankful for all the hard work that our CSR partners – Charutar Arogya Mandal, JVP ITI and Reefwatch continue to put in day in and day out, tirelessly working to improve and enrich the lives of the communities that we operate in and also play an important part in their social and economic development.

Finally, we have begun work on our next 5-year strategic plan which will be launched next year and will take us to 2025. Over the coming months we will have both internal and external discussion to finalize this document which will align all employees to a common goal and vision and will also chart out the direction that your company will take over the next 5 years.

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

Best Regards,

Tarak Patel
Managing Director

Board of Directors

DR. S. SIVARAM
Chairman & Independent Director

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

Dr. Sivaram serves on the Board of Apcotex Industries Limited, Asian Paints Limited, Deepak Nitrite Limited, Supreme Petrochem Limited, Vyome Therapeutics Limited and Gharda Chemicals Limited.

Dr. Sivaram is an alumnus of IIT-Kanpur (MSc. 1967). He has a PhD in Chemistry from Purdue University, W. Lafayette, Indiana, USA.

Dr. Amrita Patel is the former Chairperson of National Dairy Development Board (NDDB) and was responsible for the implementation of national diary programme, Operation Flood-the largest programme in the world using food aid for development.

Dr. Patel has played a leading role in advocacy of environment protection and stability. She is strongly committed to healthcare services for rural people and women in particular. Dr. Patel is currently Chairperson of Sardar Patel Renewable Energy Research Institute, Vallabh Vidya Nagar. Dr. Patel is a Trustee of Charutar Arogya Mandal, Sir Dorabji Tata Trust and Sardar Patel Trust. She is on the Board of Society for Promotion of Wastelands Development, New Delhi and Foundation of Ecology Security, Anand.

Dr. Patel, BVSc & AH, has been conferred the Padma Bhushan and numerous other awards and honorary degrees.

DR. AMRITA PATEL
Independent Director

NAKUL TOSHINWAL
Independent Director

Mr. Nakul Toshniwal is the Chairman & Managing Director of Toshvin Analytical Pvt. Ltd. which is recognized as one of the largest analytical instrumentation companies in India. He started his career as an Analyst with AT Kearney Inc. in New York and has over 20 years of experience in managing, investing and growing companies in diverse industries.

Mr. Toshniwal is also a Designated Partner in Royal Opera Music LLP and a member of the Council of Directors of Kodaikanal International School.

He graduated summa cum laude from The Wharton School, University of Pennsylvania, Philadelphia, PA and has a Master of International Public Policy degree from The School of Advanced International Studies, Johns Hopkins University, Washington DC.

Mr. Khurshed Thanawalla is the Country Representative – India for Oerlikon Group.

He serves on the Board of Stovec Industries Ltd.

Mr. Thanawalla is a Fellow of the Institute of Chartered Securities and Administrators of London and the British Institute of Management. He is the associates of the Textile Institute, UK.

KHURSHED THANAWALLA
Director

THOMAS KEHL
Director

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

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

Dr. Dominic Deller is the Chief Financial Officer of the Pfaudler Group. Dr. Deller joined Pfaudler after successfully closing the sale of SimonsVoss Technologies, a digital access control company, to Allegion PLC. Prior to this, Dr. Deller was CFO and CEO EMEIA for Lincoln Industrial, a manufacturing company for centralized lubrication systems, headquartered in St. Louis, USA.

Dr. Deller is the Managing Director of Pfaudler GmbH and on the Board of Pfaudler UK Ltd. He is also the Vice President and Treasurer at Pfaudler US Holding Inc. and Pfaudler US Inc.

Dr. Deller holds a Master degree and a PhD in Business Administration from Frankfurt/ Main University, Germany and a post-graduate degree in Business Analysis from Lancaster University, UK.

DR. DOMINIC DELLER
Director

ASHOK PATEL
Director

Mr. Ashok Patel has over 46 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 has been the Managing Director of the Company since June 2015. He has also served as the Executive Director of the Company since 2007.

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

Mr. Patel is on the Governing Council of the Charutar Arogya Mandal.

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.

TARAK PATEL
Managing Director

GMM Pfaudler Limited, a Leading Supplier of Engineered Equipment and Systems for Critical Applications in the Chemical and Pharmaceutical Industries

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

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

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

Recently, the Company acquired the Industrial Mixing Solutions Division ("IMSD") of Sudarshan Chemical Industries Ltd., Pune. The acquisition of IMSD is expected to enhance GMM Pfaudler's industrial mixing business vertical by bringing in new products, technologies, customers and industry segments.

With this acquisition, GMM Pfaudler would now have access to other markets namely minerals, metals, sugar, food, etc. and have deeper penetration in paint manufacturing industry. Significant cost synergies are expected due to economies of scale, value engineering and by leveraging the strengths of both the organisations in their markets. The two businesses once consolidated would become India's premier industrial mixing solutions provider.

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

GMM Pfaudler currently employs 480 people and has regional sales and service offices in Ahmedabad, Ankleshwar, Chennai, Hyderabad, Mumbai, Pune, Roha, Vadodara and Visakhapatnam.

Much More
Than Glass Lined

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

GLASS LINED

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

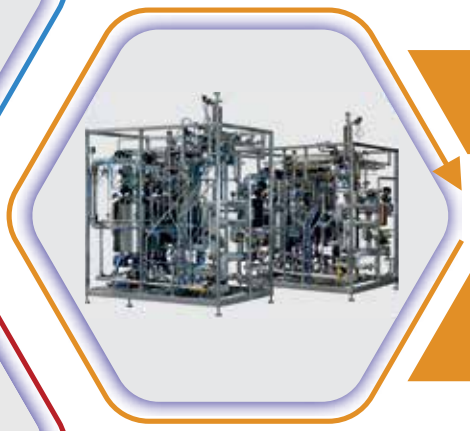
MIXING SYSTEMS

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

FILTRATION & DRYING

ANFD, Funda Filters, Spherical Dryer, Vacuum Paddle Dryers

ENGINEERED SYSTEMS



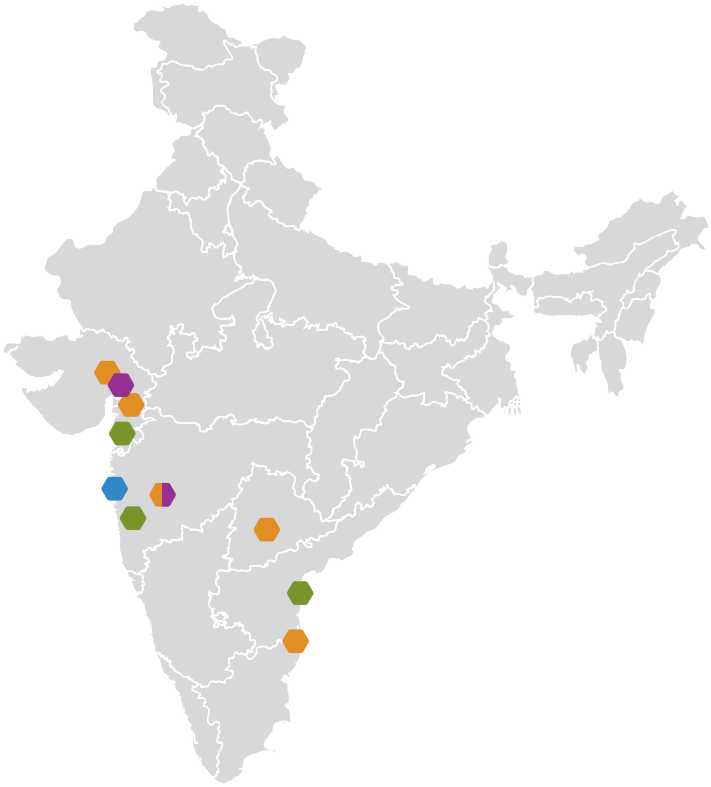
Systems for Evaporation, Reaction & Column, Filtration & Drying, Heating & Cooling, Acid Recovery, Pilot Plants and Kilo Labs

HEAVY ENGINEERING

Agitated Reactors, Heat Exchangers, Pressure Vessels and Columns

FILTRATION
EXTRACTION
ACID RECOVERY
EVAPORATION
REACTION
DRYING
ABSORPTION
DISTILLATION

Our Facility



MANUFACTURING CAPABILITIES

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

1. Manufacturing Facilities

- Karamsad
- Pune

2. Corporate Office

- Mumbai

3. Sales Office

- Ahmedabad
- Chennai
- Hyderabad
- Pune
- Vadodara

4. Sales & Service Offices

- Ankleshwar
- Roha
- Visakhapatnam

Key Milestones

1963

Established in 1963 as Gujarat Machinery Manufacturers

Listed on the Bombay Stock Exchange

1987

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

1999

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

2008

Acquired MAVAG AG, Switzerland, in January 2008

2012

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

2014

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

2018

Crossed Consolidated revenue of ₹ 4,000 Million

Crossed market capitalization of ₹ 10,000 Million

Listed on National Stock Exchange

2019

Crossed Consolidated revenue of ₹ 5,000 Million

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

An Organisation with Deep Values and Commitment

VISION

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

MISSION

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

To be reliable partner for our customers.

To enhance value for all our stakeholders.

VALUES

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

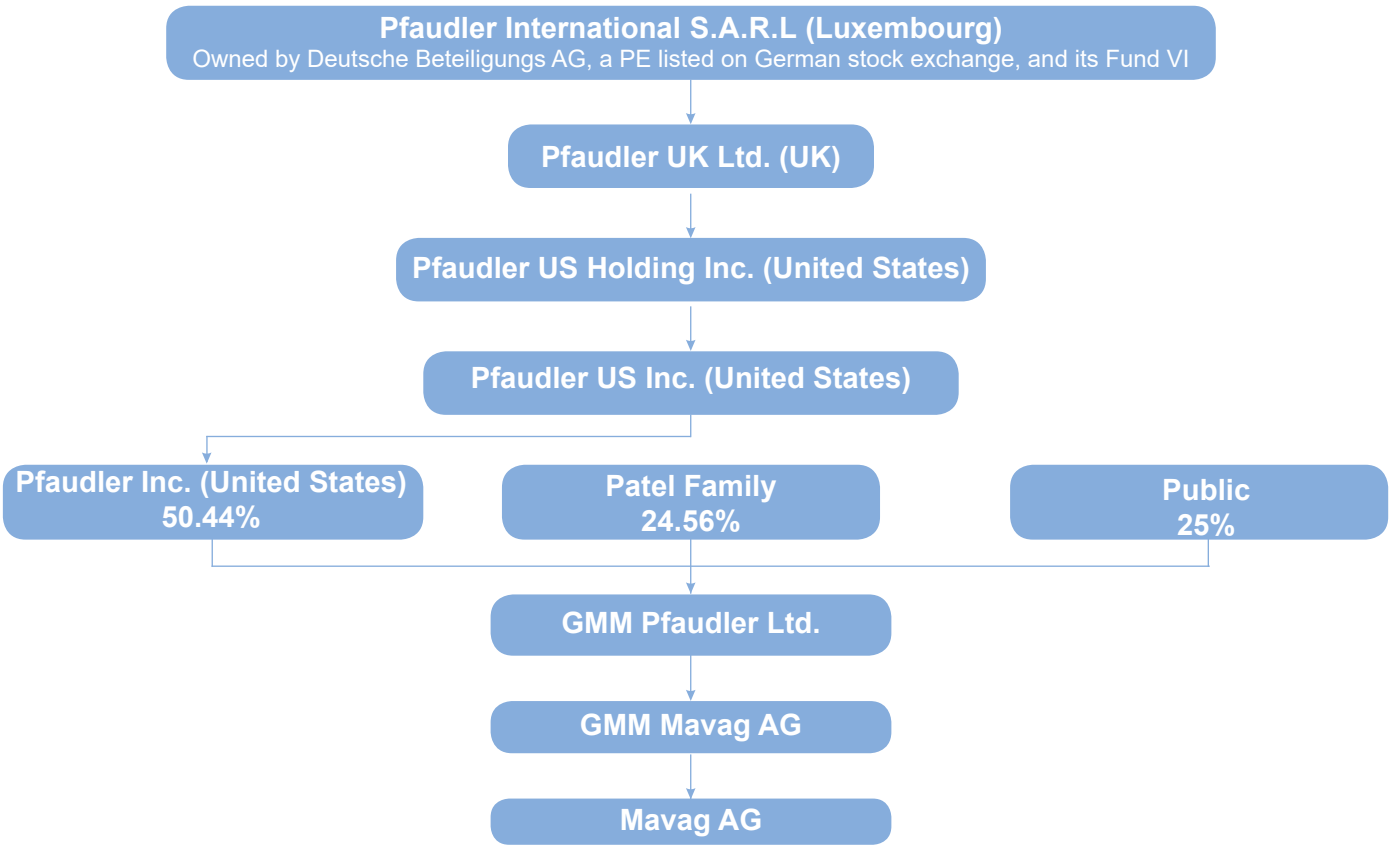
Safety
To ensure a safe working environment for our employees and business partners.

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

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

Integrity
To be ethical and fair in all our dealings.

Ownership Structure



About Pfaudler Inc.

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

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

Pfaudler's Group Companies

EDLON
FLUOROPOLYMERS

INTERSEAL
SEALING TECHNOLOGY

MAVAG
FILTRATION & DRYING

MONTZ
ENGINEERED COLUMN SYSTEMS

NORMAG
LAB & PROCESS GLASS

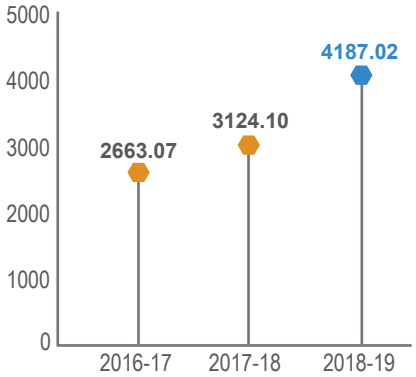
PFAUDLER
GLASS-LINED & ALLOY SYSTEMS

About Mavag AG

Mavag AG is a wholly owned subsidiary of the Company, located in Neunkirch, Switzerland. Mavag is a supplier of highly engineered Filtration & Drying Equipment and Mixing Systems to the pharmaceuticals, biotech and fine chemicals industries. Mavag's product range includes the state-of-art Spherical Dryers, Filter Dryers, Funda Filters and Magnetic Drive Agitators. Mavag specializes in sterile and high containment applications.

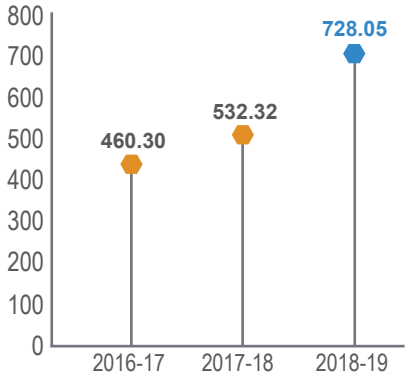
Standalone Financial Performance

Revenue (₹ Mn)



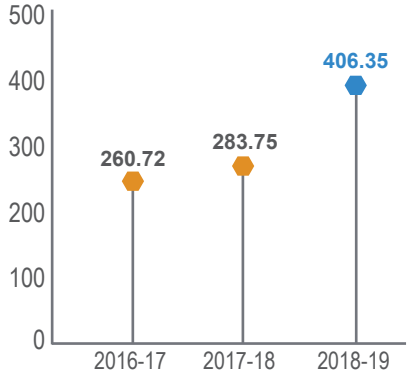
↑ 34%

EBIDTA (₹ Mn)



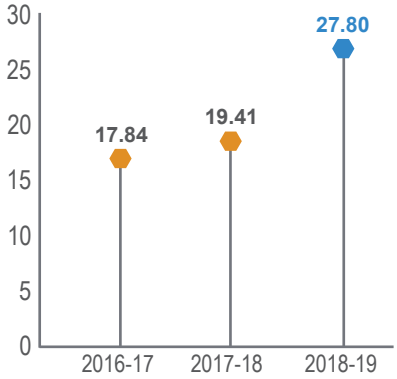
↑ 37%

PAT (₹ Mn)



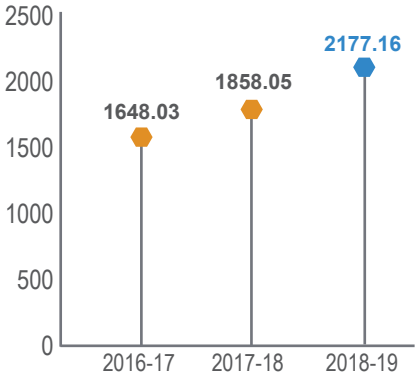
↑ 43%

EPS (₹)



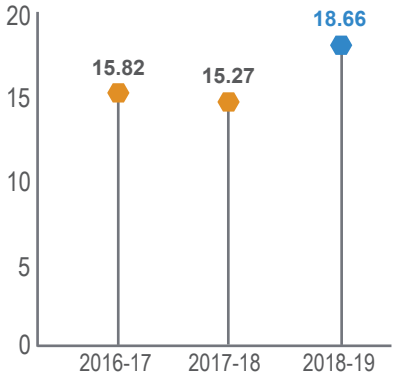
↑ 43%

Net Worth (₹ Mn)

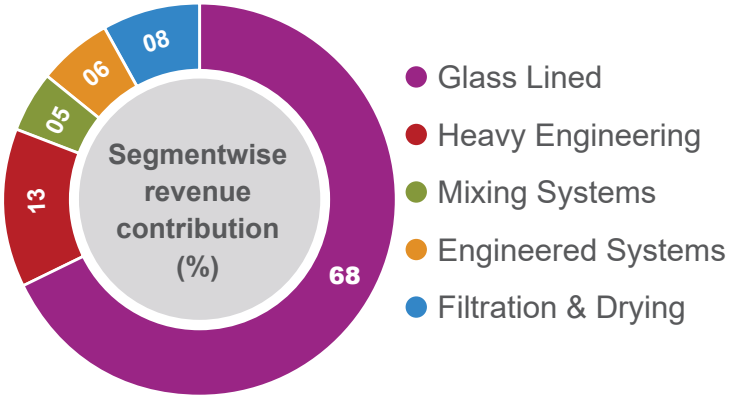


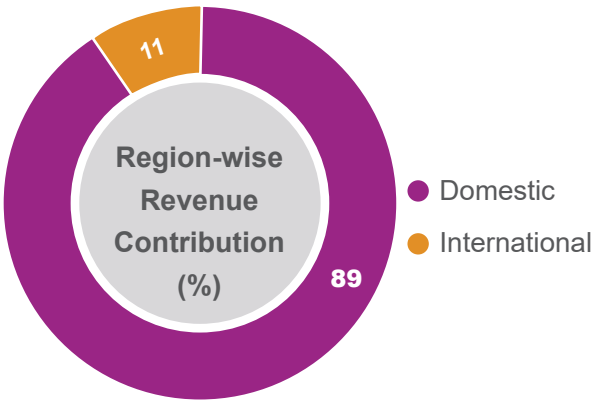
↑ 17%

ROE (%)



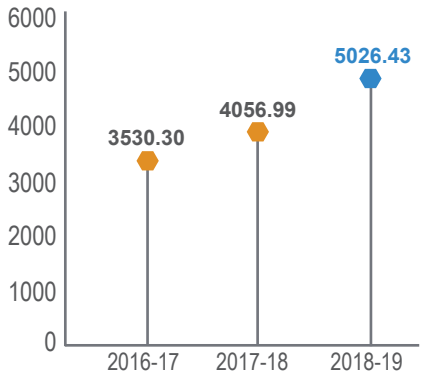
↑ 22%





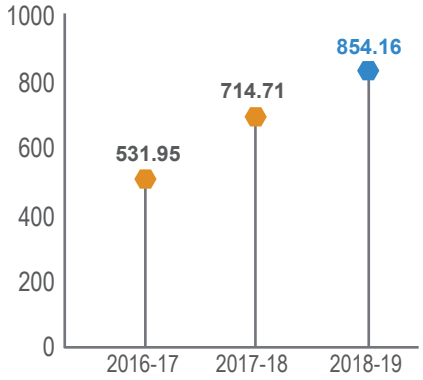
Consolidated Financial Performance

Revenue (₹ Mn)



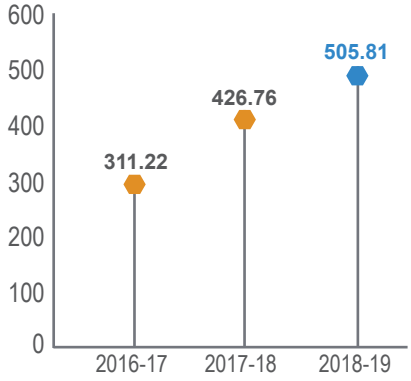
↑ 24%

EBIDTA (₹ Mn)



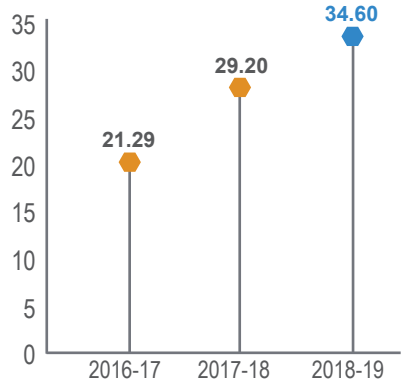
↑ 20%

PAT (₹ Mn)



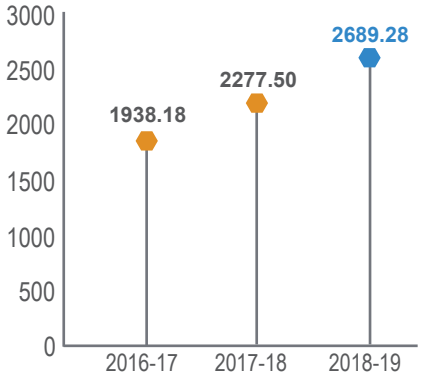
↑ 19%

EPS (₹)



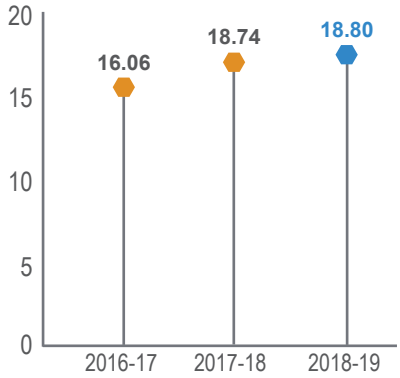
↑ 19%

Net Worth (₹ Mn)



↑ 18%

ROE (%)



↑ 0.3%

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

*PAT : Profit After Tax

*EPS : Earnings Per Share

*ROE : Return on Equity

CSR Highlights For the Year 2018-19

GMM Pfaudler, recognizes the impact it has among communities in which it operates and believes that it has a responsibility to improve and enrich the lives of these communities and play a part in their social & economic development and environmental sustainability. With its dedicated and focused approach, the Company has been contributing its time expertise and resources to help 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.

HEALTHCARE

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

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

Project SPARSH (Shree Krishna Hospital Programme for Advancement of Rural and Social Health), implemented by Charutar Arogya Mandal in Anand, Kheda and Panchmahals districts, aims at connecting the last person in villages to appropriate levels of healthcare through trained Village Health Workers (VHWs) in their own villages, health centres in towns/villages close by and a tertiary care centre for critical cases. GMM Pfaudler funds the activities of the programme in 60 of the 150 villages covered by it. In terms of the population covered, while the entire programme covers a population of 4.5 lakhs, the villages funded by GMM Pfaudler have a population of approximately 1.5 lakhs.

During the year, through project SPARSH, 17,850 patients were reached through 595 camps. In the project villages covered by GMM Pfaudler, 405 camps were conducted and 16,285 patients were reached and received consultation.

A total of 57,475 rural people were educated about various issues related to chronic diseases such as Hypertension and Diabetes through 2,299 sessions undertaken by the Village Health Workers ("VHWs") across 150 villages. In the project villages covered by GMM Pfaudler, 39,806 persons were educated about chronic diseases through 1,531 sessions undertaken.

Village Health Workers conducting training and medical check-up camps

At the end of the year, there were 1,169 patients with chronic diseases such as Hypertension and Diabetes enrolled with the programme for receiving health care delivered at their door step through the VHWs, saving the patients cost of travel and consultation at higher centres. In the project villages funded by GMM Pfaudler, the number of patients enrolled with the programme was 955 compared to 730 in the previous year.

The average monthly cost of treatment for patients with Hypertension, Diabetes and those having both Hypertension and Diabetes was Rs.38, Rs.84 and Rs.126 respectively. The cost of treatment last year was Rs.40, Rs.106 and Rs.133 respectively. The increase in the number of members enrolled in the programme and the reduction in the cost of treatment indicate that, with passage of time, the project is now creating a significant impact.

SPARSH 150 is also focused on prevention of diseases as well through multiple interventions at school and community level, cancer screening and diagnosis and palliative care.

Summary of initiatives taken under SPARSH during the financial year 2018-19:

1. The SPARSH Android application was revised and upgraded. Training plans for the VHWs to use the app have been devised and attempts to have the entire data collected online.
2. A new and comprehensive Management Information System and a concept of Technical In-charges for various activities was introduced.
3. Referral of at-risk but asymptomatic patients to the VHWs was put in place for Hypertension and Diabetes patients. At camps those identified with BP reading (>140/90 – 160/100) & DM (>150- 300mg/dl- with no symptoms) were referred to the VHWs for follow up for confirmatory tests and further management.
4. Palliative care visits were made regular - every Wednesday, a specialized team of a Medical Officer, a physiotherapist, a palliative care specialist and a nurse conduct visits to bed-ridden patients which primarily aims at rehabilitation of the palliative care patient and providing necessary support. At the end of the year, 173 patients were being supported with Palliative care.
5. New flip charts to be used by the VHWs were designed for Hypertension, Diabetes, Congestive Obstructive Pulmonary Diseases and Healthy lifestyle promotion activities.

A small evaluation study to assess the effectiveness of SPARSH activities (reduced cost of treatment, better adherence to the medications, prevention of complications) in 6 SPARSH and 6 non SPARSH villages is being undertaken. Baseline data collection has been completed. Two follow up assessments will be done in the next two years to assess the impact of the SPARSH program.

Charutar Arogya Mandal (CAM) is a charitable trust set up by the late Dr. H. M Patel, and has been working for providing modern and professional healthcare to the rural community in Anand and Kheda districts of Gujarat for over 3 decades. CAM manages Shree Krishna Hospital, one of the largest (850 bed), modern and professionally run institutions in Gujarat along with Pramukhswami Medical College, the KM Patel Institute of Physiotherapy and GH Patel School of Nursing among other educational institutions at its 100-acre campus in Karamsad.

For more information about Charutar Arogya Mandal please visit www.charutarhealth.org

EDUCATION & SKILL DEVELOPMENT

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

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

JVP ITI a well-equipped institute with qualified and experienced instructors offers eight trades certified by the National Council for Vocational Training and two trades certified by the Technical Education Board. Currently, JVP ITI has about 400 students on its rolls who are from the surrounding villages.

J V Patel Industrial Training Institute has been recently approved as a "Training Centre" under the "Pradhan Mantri Kaushal Vikas Yojana" (PMKVY 2.0) to impart skill development training to school and college dropouts or unemployed youths on four trades. These trades are Solar Panel Installation, Welding, Fitter Fabrication and Draftsman (Mechanical). Upon successful completion of the course, students will be provided placement by the program partners.

During the year, the Company has contributed to improve and upgrading the facilities of JVP ITI which will help students gain better knowledge, experience and enhance their employment opportunities.

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

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

ENVIRONMENTAL SUSTAINABILITY

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

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

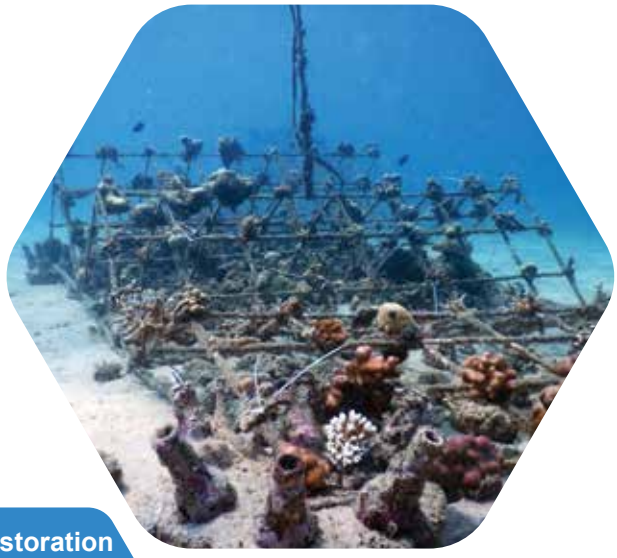
The Re(ef) Generate project aims to restore and rehabilitate corals in the Andaman Islands and actively create conditions for corals to thrive. 75% of the world's coral reefs are classified as 'threatened' and are likely to be the first eco-systemic victims to global warming, fossil fuel emissions and deforestation of mangroves. Though coral reefs occupy only 0.02% of the ocean's surface, they contain about one third of all marine life. The loss of coral reefs could have catastrophic impacts on the marine biodiversity.

While the international community comes together to combat fossil fuel usage and carbon emissions, we believe it is imperative to protect and rehabilitate corals at a local level too.

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

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

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.



Restoration and Rehabilitation of Corals in the Andaman Islands

Its activities include coral reef monitoring in the Lakshadweep and Andaman & Nicobar Islands, documentary films, beach clean ups in Mumbai, SCUBA training for scientists and education programs in schools across the country. ReefWatch was established in 1993 as a Public Charitable Trust under the Societies Registration Act and has served as a Member of the National Board for Wildlife (Government of India) since May 2007.

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

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

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

The Memorial is visited by locals, students from nearby schools and colleges, touirists from across India and many visitors from abroad as well. The number of visitors during the previous year was 38,537 which also included some eminent personalities.

The Memorial, in collaboration with local schools and colleges plays host to various student activities like study camps, research works, youth camps, group discussions, elocution competitions and socio-cultural programs.

The Memorial organizes lectures and seminars by eminent scholars, writers, leaders in public life and administrators from Government and Non-Government Organization with emphasis on personal development and leadership.

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

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

Ten Years' Financial Highlights

Description	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
OPERATING RESULTS										
Revenue from Operations (Net of excise duty)	4,187.02	3,124.10	2663.07	2,296.01	2,240.09	2,005.11	1,675.01	2,018.13	1,440.21	1,544.78
Other Income	72.35	70.39	52.23	32.42	33.50	29.27	52.30	28.80	26.16	27.02
Earning before Interest, Tax, Depreciation & Amortisation	728.05	532.32	460.30	352.32	347.08	298.03	195.33	190.91	205.84	207.16
Depreciation	103.65	83.06	73.83	67.38	80.86	70.81	55.93	49.10	34.74	33.34
Interest	11.68	10.31	8.98	6.87	5.18	10.55	7.28	11.65	8.81	6.56
Profit before Tax	612.73	438.95	377.49	278.07	261.04	216.67	132.12	130.16	162.29	167.25
Profit after Tax	406.35	283.75	260.72	183.58	172.03	142.86	96.66	91.41	110.18	114.43
Dividends	71.86	58.47	58.47	43.86	43.86	43.85	40.93	40.93	40.93	40.93
Dividend per share (₹)	4.50	4.00	4.00	3.00	3.00	3.00	2.80	2.80	2.80	2.80
Earning per share (₹)	27.80	19.41	17.84	12.56	11.77	9.77	6.61	6.25	7.54	7.56
Book value per share (₹)	148.94	127.13	112.76	98.36	87.73	79.85	73.60	70.14	67.19	62.90
FINANCIAL SUMMARY										
Assets Employed										
Fixed Assets (net)	677.07	632.99	499.66	438.11	376.18	383.00	421.79	409.68	346.09	288.25
Investments	690.59	725.67	679.60	396.81	337.19	336.46	330.24	295.87	283.24	119.48
Net Working Capital	809.5	499.39	468.77	602.81	567.07	448.03	323.99	319.71	396.12	511.72
Total	**2,177.16**	**1,858.05**	**1,648.03**	**1,437.73**	**1,282.44**	**1,167.49**	**1,076.02**	**1,025.26**	**1,025.45**	**919.45**
Financed By										
Share Capital	29.23	29.23	29.23	29.23	29.23	29.23	29.23	29.23	29.23	29.23
Reserves & Surplus	2,147.93	1,828.82	1,618.80	1,408.50	1,253.21	1,138.26	1,046.79	996.03	952.51	890.22
Loan Funds	-	-	-	-	-	-	-	-	43.71	-
Total	**2,177.16**	**1,858.05**	**1,643.03**	**1,437.73**	**1,282.44**	**1,167.49**	**1,076.02**	**1,025.26**	**1,025.45**	**919.45**

Management Discussion and Analysis

A) ECONOMY

1. Global economy:

Global economic growth is expected to slow down from 3.6% in 2018 to 3.3% in 2019. This is due to increasing trade tensions between US and China, uncertainty related to Brexit and decline in business and consumer confidence across economies. However, the economy is expected to pick up in the second half and as such global economic growth is expected to return to 3.6% in 2020.

2. Indian economy:

According to IMF estimates, Indian economy grew at 7.1% in 2018-19 and is expected to be the fastest growing economy in the world in 2019-20, with a GDP growth of 7.3%. Lower oil prices, softening interest rate and ongoing structural policy reforms will further strengthen our economy. The sweeping environmental reforms in China has led to closures and dislocation of several industries in their chemicals sector. This disruption has benefited the Indian chemical industry which has added additional capacities to meet global demand.

The Reserve Bank of India is expected to reduce the interest rate in response to slowing economic growth and low inflation outlook. The announcement of incentives for the middle-class and the farmer community in the form of tax exemptions, income support to farmers and pension schemes for unorganized sector is likely to further boost the rural sector and stimulate consumer spending.

The Indian economy remains well placed to achieve robust growth in light of favourable government policies, low inflation leading to decline in interest rates and increased government spending on infrastructure and rural economy.

B) INDUSTRY DEVELOPMENTS

GMM Pfaudler caters to the following industries - Pharmaceuticals, Specialty Chemicals and Agrochemicals. Most of the companies in these industries continue to invest in increasing their capacity to cater to the growing demand for their products.

1. Pharmaceuticals

The Bulk Drugs or Active Pharmaceutical Ingredients (API) industry is expected to retain its growth trajectory and grow at a CAGR of 8% through FY25.

In the short term, however, there could be growth acceleration, owing to several large proposals of companies investing to build capacity ahead of demand, with a CAGR of 15% through FY19-22.

Indian pharma companies capitalised on export opportunities in regulated and semi-regulated markets. The export market has also been thriving due to strong presence in the generics space. The domestic pharmaceutical market turnover reached ₹ 1,290 billion in 2018, growing 9.4% year-on-year from ₹ 1,164 billion in 2017. With 71% market share, generic drugs form the largest segment of the Indian pharmaceutical sector and account for 20% of global exports in terms of volume, making the country the largest provider of generic medicines globally.

India remains an attractive destination for generic R&D and manufacturing of pharmaceutical owing to its strong capabilities across the value chain. The 'Pharma Vision 2020' by the government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery. The Indian pharmaceutical sector is expected to grow at a CAGR of 15% in the near future, driven by the following factors:

- **Increasing demand in global markets**

  Generic penetration in high value healthcare markets has grown significantly, with India supplying more than 20% of the generics demand in major geographies.

- **Stable growth in domestic market consumption**

  India's pharmaceutical market has grown rapidly over the last decade and is likely to become one of the Top 3 Pharma markets by 2030, owing to rising lifestyle-related diseases and expansion in healthcare penetration due to Ayushman Bharat. This is expected to boost volume growth.

- **Low cost manufacturing capability in India**

  Indian bulk drugs manufacturers have a distinct advantage in terms of their low manufacturing costs and advanced chemistry skills. Low direct input costs (labour and raw material) will give Indian bulk drug companies an added advantage over their peers operating in regulated markets such as the US. Cost of production in India is 65% lower than in the US and 50% of that in Europe.

  India has the second largest number of US-FDA approved facilities outside the USA. The cost of manufacturing formulations in India remains 30-40% lower than other comparative manufacturing hubs such as China and Eastern Europe.

- **Patent expiry**

  About 120 drugs are expected to go off-patent in the next ten years, with expected worldwide revenue between ₹ 5,528 billion to ₹ 17,275 billion.

- **China slowdown**

  API supply disruption from China will urge domestic companies to produce APIs and key materials in-house, thus increasing sales domestically.

2. Specialty Chemicals

According to India Ratings, the domestic specialty chemical sector is expected to grow by about 10% annually to almost double the market size by FY25. This will be driven majorly by growth in end-user industries like textile, glass, construction and paints, all of which are expected to register double digit growth by FY22. The market size of this sector in India is expected to touch ₹ 5,864 billion by FY25. Stringent environmental regulations and their enforcement in China, have led to rising labour costs for their companies, thus becoming favourable to Indian players. India, with its competitive manufacturing cost, skilled manpower, stringent intellectual property protection laws and favourable government policies, has been able to capture the resultant opportunity and thus build global competitive capacity. Chemical companies in India have also been able to fetch better realizations due to production cuts in China, leading to gradual scaling up of operations and capacity addition.

Government of India has allowed 100% foreign direct investment in the chemicals sector and the industry remains one of the focus areas of the government under its “Make in India” initiatives. Chemical hubs have been established to provide the ecosystem for sustainable growth in the industry. The governments focus on affordable housing, agriculture and increased expenditure on infrastructure development will further spur demand for performance-enhancing chemicals. Future market drivers also include regulatory factors like the launch of the PCPIR (Petroleum, Chemicals and Petrochemicals Investment Region), that will boost domestic manufacturers through scale of manufacture and increased cost effectiveness.

The current penetration of specialty chemicals within the domestic end-markets is low as compared to international benchmarks. Higher-than-expected growth in demand, stable feedstock availability at low prices and ability to comply with regulatory norms promises favourable growth in the industry.

Sharp changes in oil prices due to an unfavourable macroeconomic scenario, uncertainty about feedstock procurement and an uptick in global capacity expansion pose major challenges.

3. Agrochemicals

India is currently the 4th largest manufacturer of agrochemicals after the USA, Japan and China and is the 13th largest exporter of agrochemicals globally. Currently, its agrochemicals market is valued at ₹ 283.31 billion and is expected to grow at a rate of 8.35% to reach ₹ 559.71 billion by 2025.

India’s agrochemical consumption is one of the lowest in the world, with a per hectare consumption of less than 1 kg as compared to the United States’ 5-7 kgs per hectare and Japan’s 11-12 kgs per hectare. Per hectare productivity is also very low at 3 MT per hectare versus world average of 4 MT per hectare, due to lack of scientific agricultural methods. Exports contribute about 50% of the Indian agrochemical market and is expected to grow at a CAGR of 8-10% over the next 7-8 years.

Over the past couple of years, the exports from China have seen a slowdown. This is owing to the implementation of stringent environmental norms by the Chinese government and impending duties from the US on Chinese products. The main drivers of growth for agrochemical exports from India include low-cost manufacturing capability, availability of technically trained manpower and around ₹ 207.3 billion worth of agrochemicals going off-patents globally. Many Indian and global players are investing significantly in capacity expansion in India to meet the rising domestic demand and potentially creating an agrochemical manufacturing hub in India. Structural rise in pest infestation, coupled with rising awareness amongst farmers, growing rural income and the resultant willingness to spend on crop protection chemicals, is expected to provide a significant fillip to the domestic consumption of agrochemicals.

Amidst rising rural distress, both central and state governments have provided significant help to farmers by resorting to loan waivers, compensating farmers for difference between the model rate and minimum support price, providing free power, Life Insurance at minimal premium, etc. Doubling farmers’ income, making them tech savvy, boosting agriculture research and education and building farm related infrastructure are some of the major goals on which the government is working, for the growth of the agricultural sector and farmers’ welfare.

Management Discussion and Analysis (Contd.)

The government also intends to implement a comprehensive action plan to empower farmers throughout the farming cycle. Increasing rural spending, consistent monsoon and decreasing arable land will only increase the application of agrochemicals, thus boosting growth.

4. Other Industry Segments

While pharmaceutical and chemical remain our largest industry segments we are seeing significant traction in Oil & Gas, Petrochemical, Fertilizer and Metals & Minerals. We will continue to build our capabilities to cater to these industry segments especially through our Heavy Engineering and Mixing Systems businesses. These sectors will see significant investment in the coming years and we need to be to prepared to address these opportunities as and when they arise.

C) OUTLOOK

Revival in economic growth along with necessary policy initiatives by the government, for boosting industry growth, is likely to result in capacity upgradation by our end user industries through both new facilities and adding to existing manufacturing capabilities. Hence, demand outlook remains positive for the next couple of years.

D) COMPANY OVERVIEW

Established in the year 1962, GMM Pfaudler is a leading supplier of engineered equipment and systems to the global pharmaceutical and chemical markets. GMM Pfaudler has a state-of-the-art factory with a covered area of over 41,000 square meters.

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

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

E) FINANCIAL PERFORMANCE

GMM Pfaudler continued to accelerate its growth amid challenging and dynamic economic conditions in both domestic and global environments in the past year. The Company ended the fiscal on a high note, registering a significant revenue and profitability growth. GMM Pfaudler remains committed to meeting expectations and enhancing shareholder's value, which is reflected in increase in its market capitalization of over 11 times in the last 5 years.

In the financial year 2018-19, GMM Pfaudler recorded standalone revenues of ₹ 4,187.02 million, up by 34% from the previous year's ₹ 3,124.10 million and consolidated revenues of ₹ 5,026.43 million, up by 24% from the previous year's ₹ 4,056.99 million.

Standalone Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) increased by 37% to ₹ 728.05 million as compared to ₹ 532.32 million in FY 2018 and consolidated EBITDA increased by 20% to ₹ 854.16 million as compared to ₹ 714.71 million.

Profit Before Tax (PBT) increased by 40% to ₹ 612.73 million as compared to ₹ 438.95 million in FY 2018 on standalone basis and increased by 21% to ₹ 732.70 million as compared to ₹ 606.51 million in FY 2018 on a consolidated basis.

The initiatives taken in last few years, namely Comprehensive Plant Transformation Program to increase throughput, commissioning of new Natural Gas furnace and adding new production Bays helped to increase output across all product lines which resulted in higher revenue and profitability. Further our new cloud based ERP solution, which went live this year, will help us to strengthen internal systems and processes, improve efficiencies and reduce costs and expenses. In the current year, the Company has been able to reap the benefits from these investments and will continue to do so in the coming years as well.

F) BUSINESS SEGMENTS AND OPERATIONAL HIGHLIGHTS

The Company has five business verticals:

i) Glass Lined Equipment (GL)

GMM Pfaudler is the largest manufacturer of Glass Lined equipment in India, which is primarily used in Pharmaceutical, Speciality Chemicals and Agrochemical Industries. In FY19, 68% of the Company's total revenue came from the GL business.

The Company adopted a new rationalised method of measuring production output: Equivalent Units (EU's), which is based on the amount of effort that goes into making one unit rather than the actual count of the units produced.

This year, the Company manufactured 1860 EU's versus 1552 EU's in the previous year. GL hit a new high of 200 EU's manufactured in a single month. The Company is making continuous efforts to make this a new benchmark for throughput.

GL shipment and orders grew by 33% from ₹ 2,185.99 million to ₹ 2,850.05 million and by 21% from ₹ 2,412.70 million to ₹ 3,512 million respectively in the FY19. This business segment will continue to remain the Company's largest and most important business vertical in the coming year.

ii) Heavy Engineering (HE)

The HE business accounted for 13% of the Company's total revenue. This business line has been a focus area for the Company in FY19 and will continue to be so in the future. Significant steps have been taken to further improve its position in the market. The Company has been able to create a remarkable competitive advantage for itself by leveraging its brand, strong engineering capabilities, multiple code accreditations and proven track record of manufacturing complex equipment.

During the year, a new manufacturing Bay was commissioned for HE and the Company handled equipment with a total weight of 770 MT. In terms of value, the break-up of the materials used was Carbon Steel (12%), Stainless Steel (55%), Clad Steel (26%) and Exotic Materials (7%).

The HE division manufactured the biggest equipment with a length of 41 meter, diameter of 4.8 meter and a weight of 154 MT which puts GMM Pfaudler in a small and exclusive group of companies that can handle such large sizes.

The Company exported Stainless Steel Reactors received through the Pfaudler network.

As the Company has ambitious growth plans for this segment, steps have been taken to add capacity and capability. This involved adding key equipment in the new bay to handle heavier thickness steel in-house. Simultaneously, GMM Pfaudler will work to get the necessary qualifications and approvals from large Engineering & Construction companies in the Oil and Gas sector to increase its presence in this segment.

iii) Mixing Systems (MS):

The MS business accounted for 5% of the Company's total revenue. The Company's cost effective and user-friendly agitators have helped Pharmaceutical, Agrochemical and Specialty Chemical Companies to improve their efficiencies and productivity.

Recently, the Company acquired the Industrial Mixing Solutions Division ("IMSD") of Sudarshan Chemical Industries Ltd., Pune. The acquisition of IMSD is expected to enhance GMM Pfaudler's industrial mixing business vertical by bringing in new products, technologies, customers and industry segments. With this acquisition, GMM Pfaudler would now have access to other markets, including minerals, metals, sugar, food, etc. and have deeper penetration in paint manufacturing industry. Significant cost synergies are expected due to economies of scale, value engineering and leveraging the strength of both the organisations in their markets. The two businesses, once consolidated, would become India's premier industrial mixing solutions provider.

iv) Engineered Systems (ES):

The ES business accounted for 6% of the Company's total revenue. The Company has extensive experience in designing and manufacturing complete Modular Skids, Wiped Film Evaporators, Temperature Control Units and Kilo labs. As the Company moves from being an equipment supplier to a solution provider, it is developing process engineering capabilities to provide complete modular Engineered Systems along with process guarantees to its customers.

v) Filtration & Drying (F&D):

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

G) MAVAG'S PERFORMANCE

Mavag AG currently contributes 17% and 16% to the consolidated revenue and profit respectively. Mavag has been able to cement its position as a technology leader in Europe and with its low-cost

Management Discussion and Analysis (Contd.)

sourcing initiative, they have been able to significantly increase their market share. Mavag is also working with Pfaudler, USA to develop the US market and has already had some success. They will continue to leverage the Pfaudler sales network to further increase their penetration and increase their market share around the world. Mavag's profitability has also improved considerably over the last couple of years and their performance is expected to further improve in the coming years.

H) OPPORTUNITIES & THREATS

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

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

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

I) RISKS AND CONCERNS

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

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

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

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

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

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

Mitigation: The Company has strategically diversified into other businesses like Heavy Engineering, Mixing Systems, Engineered Systems and Filtration & Drying Equipment businesses for cross-selling opportunities.

iv) **Skilled Manpower:** Skilled labourers are key input for the Company.

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

J) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal controls of the Company operate through standard operating procedures, policies and process guidelines. The Company has an adequate system of Internal Financial Control commensurate with its size and nature of business, which helps in ensuring orderly and efficient business conduct.

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

The Company's Financial Statements are prepared on the basis of the Significant Accounting Policies selected by Management and approved by the Audit Committee and the Board. These Accounting policies are reviewed and updated from time to time. The Company uses LN ERP System as a business enabler and as a means to maintain its Books of Account.

The transactional controls built into the LN ERP systems ensure appropriate segregation of duties, appropriate level of approval mechanisms and maintenance of supporting records. The Information Management Policy reinforces the control environment.

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

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

K) HUMAN RESOURCES & INDUSTRIAL RELATIONS

Human Resource ("HR") in GMM Pfaudler has come a long way from being a transactional and administrative function to now co-partnering in the Business Strategy.

HR Strategy is an important part of a successful Business Strategy. All HR processes - Selection, Remuneration, Performance Appraisal, Training & Development, Talent Management & several others have a direct impact on the business. Several initiatives have come to life in the last two years. The focus of our Company has been on ensuring effective corporate governance, making available critical talent for key positions and engagement of key talent.

While we tread further on the business-driven HR strategy, we took the first step into the digital world – taking our appraisal process online. The online Performance Management System was introduced in FY19 which captured Goal Setting, Mid-year Review, Annual Appraisal followed by data calibration on a cloud-based platform.

The new system brought in work-flow transparency, authenticity & structure to the entire process. FY18 saw the launch of "Parivartan", an employee engagement survey. Subsequently, department-wise Action Planning workshops were conducted in FY19 to sensitize teams on focus areas to improve employee engagement.

Campus hiring was initiated in FY19. Premier Business schools & Technical institutes were approached and following a rigorous evaluation process, the Company selected eight Management Interns, three Engineering Interns and four Management Trainees. While the interns returned to their academics post the internship period, the Management Trainees will be inducted into the Management Acceleration Program (MAP) – an initiative to build a young leadership pipeline. They will work on Action Learning Projects, addressing real time business challenges, directly guided by the senior management team.

FY20 will focus on a more structured Learning & Development program and also create a Reward and Recognition platform – both of which are crucial to a growing organization.

I) Cautionary Note

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

By Order of the Board of Directors

Dr. S. Sivaram	**Tarak Patel**
Chairman	Managing Director
Din: 00009900	DIN: 00166183

Place: Mumbai
Date: May 30, 2019

Notice

NOTICE is hereby given that the Fifty Sixth Annual General Meeting of GMM Pfaudler Limited ("the Company") will be held on Wednesday, August 14, 2019 at 12.00 noon at Sardar Vallabhbhai Patel and Veer Vithalbhai Patel Memorial, Anand-Sojitra Road, Karamsad - 388 325, Gujarat 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, 2019 (including Consolidated Financial Statements) together with the reports of the Board of Directors and auditors thereon; and in this regard, 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, 2019, comprising of Audited Balance Sheet as at March 31, 2019, the Statement of Profit & Loss and Cash Flow Statement for the financial year April 1, 2018 to March 31, 2019 including its Schedules and the Notes attached thereto and forming part thereof, and the reports of the Board of Directors and the Statutory Auditors thereon be and are hereby received, adopted and approved."

   (b) **"RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, comprising of Audited Consolidated Balance Sheet as at March 31, 2019, the Statement of Consolidated Profit & Loss and Cash Flow Statement for the financial year April 1, 2018 to March 31, 2019 including its Schedules and the Notes attached thereto and forming part thereof and the reports of the Statutory Auditors thereon be and are hereby received, adopted and approved."

2. To confirm the declaration and payment of three interim dividends paid during the financial year ended March 31, 2019 and to declare final dividend for the financial year ended March 31, 2019 and in this regard, if consider and thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution:**

   (a) **"RESOLVED THAT** the payments of first interim dividend, second interim dividend and third interim dividend of ₹ 1.00 each per equity share respectively paid on 14,617,500 Equity Shares aggregating to ₹ 43,852,500, declared and paid for the financial year 2018-19, to the shareholders whose names have appeared in the Register of Members as on August 23, 2018, November 2, 2018, and February 7, 2019 be and are hereby confirmed.

   (b) **RESOLVED THAT** a final dividend for the financial year ended March 31, 2019 of ₹ 1.50 per equity share on 14,617,500 equity shares aggregating to ₹ 21,926,250 to the shareholders whose names appear in the Register of Members as at the end of business hours on August 7, 2019 be and is hereby approved."

3. To appoint a Director in place of Mr. Khurshed Thanawalla, 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 an **Ordinary Resolution:**

   "RESOLVED THAT Mr. Khurshed Thanawalla (DIN 00201749), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby appointed as Director of the Company."

4. To appoint a Director in place of Mr. Thomas Kehl, 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 an **Ordinary Resolution:**

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

SPECIAL BUSINESS:

5. To ratify the remuneration of Cost Auditors of the Company for the financial year ending March 31, 2020 and in this regard, 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 ₹ 150,000 (Rupees One lac Fifty thousand only) plus GST as applicable and reimbursement of out-of-pocket expenses, as approved by the Board of Directors of the Company, for conducting cost audit of the Company for the financial year 2019-20, be and is hereby approved and ratified.

Notice: (Contd.)

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

6. To consider reappointment of Dr. Sivaram as an Independent Director of the Company to hold office for a second term and in this regard, if consider and thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/ or re-enactment(s) thereof for the time being in force)(hereinafter referred to as "the SEBI Listing Regulations") including Regulation 17(1A) of the said Regulations, notified by Securities and Exchange Board of India effective from April 1, 2019, approval of members of the Company be and is hereby accorded for reappointment of Dr. Sivaram (DIN: 00009900), who will be attaining the age of 75 years on November 4, 2021, as an Independent Director of the Company to hold office for a second term for the continuous period from February 11, 2020 upto the conclusion of 59th Annual General Meeting to be held for the financial year 2021-22.

   RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

NOTES:

i. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING" OR "AGM") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL, INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

ii. The Proxy Form in order to be effective must be received at the registered office of the Company not less than 48 hours before the commencement of the Meeting.

iii. Corporate Members intending to send their representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

iv. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out material facts concerning the business under Item nos. 5 and 6 of the accompanying Notice, is annexed hereto.

v. A brief profile of Directors seeking appointment / re-appointment pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") and other applicable provisions is annexed to this Notice.

vi. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 8, 2019 to Wednesday, August 14, 2019 (both days inclusive).

vii. The final dividend on equity shares as recommended by the Board of Directors, if approved at the Meeting, will be paid on or before September 5, 2019.
   - In respect of shares held in demat form, to the Beneficial Owners as per details furnished by Depositories viz. National Securities Depositories Limited and Central Depository Services (India) Limited as at the end of business hours on August 7, 2019.
   - In respect of shares held in physical form, to the shareholders whose names appear on the Company's Register of Members as at the end of business house on August 7, 2019.

viii. As per SEBI Regulations, dividend is required to be credited to shareholders' bank account through Electronic Clearing Service ("ECS") wherever the facility is available and the requisite details/ mandate have been provided by the shareholders.

Notice: (Contd.)

Shareholders desirous of availing of this facility may send the ECS form (available on the website of the Company), along with a Xerox copy the cheque pertaining to the bank account where the shareholders like the payment to be credited, to their Depository Participants in case of shares held in dematerialized form or to the Company's Registrar and Share Transfer Agents ("RTA") in case of shares held in physical form.

ix. Pursuant to the provisions of Section 123 and 125 of the Companies Act, 2013 read with the "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017", the amounts of dividends remaining unclaimed for a continuous period of seven years and shares thereon shall be transferred to the Investor Education and Protection Fund ("IEPF").

As required under the said Rules, the Company publishes quarterly notice in newspapers and sends individual communication to the concerned Members whose shares / unpaid dividend is liable to be transferred to IEPF Account, requesting them to take immediate action in the matter.

The Company has uploaded the required information in respect of dividend remaining unpaid / unclaimed for the last seven years on the Company's website. The web-link is http://www.gmmpfaudler.com/content/unpaid_data.pdf

The details of dividend paid for the financial year 2012-13 onwards proposed to be transferred to IEPF until the conclusion of the next Annual General Meeting are given below:

Date of declaration	Dividend Details	Dividend in ₹ per share	Due date of the proposed transfer to IEPF
17-July-2012	1st interim dividend	₹ 0.70	17-Aug-2019
5-Sept-2012	Final dividend (2011-12)	₹ 0.70	6-Oct-2018
5-Nov-2012	2nd interim dividend (2012-13)	₹ 0.70	6-Dec-2019
5-Feb-2013	3rd interim dividend (2012-13)	₹ 0.70	7-Mar-2020
31-Jul-2013	1st interim dividend (2013-14)	₹ 0.70	30-Aug-2020

x. Members are requested to notify immediately any change in their address and / or the Bank Mandate details to the RTA for shares held in physical form and to their respective Depository Participants for shares held in electronic form.

xi. SEBI has vide its Notifications dated June 8, 2018 and December 3, 2018 mandated that securities of listed companies can be transferred only in dematerialised form from April 1, 2019. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in Physical form.

xii. Members seeking any information or clarifications on the Annual Report are requested to write to the Company at least seven days in advance, so as to enable the Company to compile the information and provide replies at the Meeting.

xiii. Annual Report for the financial year 2018-19 along with the Notice of 56th Annual General Meeting, remote e-voting, proxy form and attendance slip will be sent through electronic mode to the Members whose email ids are registered with the Company/ Depositories unless any Member has requested for a physical copy of the same.

Physical copy of the Annual Report along with the aforesaid documents will be sent by the permitted mode to those Members whose email ids are not registered with the Company/Depositors.

Members who have not availed the e-communication facility can do so by registering their email address with the Company/Depository Participants/RTA to support the 'Green Initiative in Corporate Governance'.

Members may also note that the aforesaid documents can also be downloaded from the Company's website.

The web-link is http://www.gmmpfaudler.com/content/gmmpfaudlerannualreport2018-19.pdf

The relevant documents referred to in the accompanying Notice and the Explanatory Statement will be kept open for inspection by the Members at the Registered Office of the Company during business hours on all working days (except Saturday) up to the date of the Annual General Meeting.

Notice: (Contd.)

xiv. Voting through electronic means:

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide its Members, the facility to exercise their vote through electronic means i.e. 'remote e-voting' on resolutions proposed to be passed at this AGM.

The facility for voting through ballot papers will also be provided at the AGM. The Members attending the Meeting who have not cast their vote earlier by remote e-voting shall be entitled to vote at this Meeting. A Member can participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at this AGM. If any member has casts vote through e-voting and also at the AGM, then the vote cast through e-voting facilities will only be considered by the Scrutinizer.

The cut – off date for the purpose of remote e-voting and voting at the AGM is August 7, 2019.

The remote e-voting facility will be available during the following voting period:

Commencement of e-voting	:	From 10 a.m. (IST) on August 11, 2019
End of e-voting	:	Upto 5 p.m. (IST) on August 13, 2019

Complete instructions for remote e-voting including details of log-in id, process and manner for generating or receiving the password and for casting vote in a secured manner is given in the remote e-voting form annexed to this Report and forms an integral part of this Notice.

Mr. Jayesh Shah, Partner of M/s. Rathi & Associates, Practicing Company Secretaries (Membership No. F 5637) has been appointed as the Scrutinizer to scrutinize the voting in a fair and transparent manner.

The Results shall be declared by the Chairman or any other person authorized by him in writing within 48 hours from the conclusion of this AGM. The Results declared along with the Consolidated Report of the Scrutinizer shall be immediately placed on the website of the Company under the Investors Section at www.gmmpfaudler.com and on the website of CDSL. The results shall simultaneously be forwarded to the BSE Limited and The National Stock Exchange of India Limited, where shares of the Company are listed.

By Order of the Board of Directors

Mittal Mehta
Company Secretary
M. No. F7848

Place: Mumbai
Date: May 30, 2019

Notice: (Contd.)

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

Item No. 5

The Board, based on the recommendation of the Audit Committee, has approved the 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 2019-20 at a remuneration of ₹ 150,000 plus GST as applicable and reimbursement of out-of-pocket expenses.

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

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

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

Item No. 6

Dr. S. Sivaram (DIN: 00009900), was appointed as a Non-Executive Independent Director on the Board of the Company for a term of upto 5 (five) consecutive years upto February 11, 2020 pursuant to the provisions of Section 149, 152 read with Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and erstwhile Clause 49 of the SEBI Listing Agreement with the Stock Exchanges at the 52nd Annual General Meeting of the Company.

The Board of Directors at their meeting held on May 30, 2019, on the recommendation of the Nomination & Remuneration Committee, expertise, experience and contributions made by Dr. S. Sivaram to the Company, approved his re-appointment as a Non-Executive Independent Director of the Company (not liable to retire by rotation) for the second term of for the period from February 11, 2020 upto the conclusion of 59th Annual General Meeting to be held for the financial year 2021-22.

As per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018, notified on May 9, 2018, with effect from April 1, 2019 consent of the Shareholders by way of Special Resolution shall be required for reappointment of Independent Director for second term and continuation of directorship of the Non – Executive Directors of the Company who have attained the age of 75 years.

Dr. Sivaram, who will be attaining the age of 75 years on November 4, 2021, would require approval by the Shareholders of the Company by a Special Resolution for reappointment as an Independent Director of the Company.

About Dr. Sivaram:

Dr. S. Sivaram is a Polymer Chemist by profession and a mentor as well as a science administrator of distinction. He is a former director of the National Chemical Laboratory, Pune. Currently he is a INSA Senior Scientist and Honorary Professor at the Indian Institute of Science Education and Research (IISER), Pune. He has authored two hundred and twenty papers in peer-reviewed journals, edited two books and authored one book. He is cited as an inventor in fifty-one 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 for his outstanding contributions in the field of science, technology and institution building. The Chemical Research Society of India has bestowed on him 'Gold Medal for 2019' in recognition of his life-time achievements in research. The Society of Polymer Science, Japan, recognized him with the 'International Award for the year 2018' for his meritorious contributions to polymer science.

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

Notice: (Contd.)

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.

Dr. Sivaram, Independent Director, has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and amendments effective from April 1, 2019.

In the opinion of the Board, Dr. Sivaram fulfills the conditions specified in the Companies Act, 2013 its rules framed thereunder and the SEBI Listing Regulations for reappointment as an Independent Director and he is independent of the management.

Dr. Sivaram is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has consented to act as Director of the Company.

Relevant details relating to continuation of Directorship of Dr. Sivaram as required by the Companies Act, 2013, the SEBI Listing Regulations and Secretarial Standards issued by the Company Secretaries of India are provided in the 'Annexure' to this Notice.

Copy of the draft letter of appointment setting out the terms and conditions of re-appointment of the said Independent Director shall be open for inspection by the Members at the Registered Office of the Company between 10 a.m. to 5 p.m. on all working days (except Saturday and Sunday).

In the opinion of the Nomination & Remuneration Committee and Board of Directors of the Company, considering his strong background and seniority, the role played by Dr. Sivaram towards the growth of this Company and to reap the benefits of his rich and varied experience, approval of shareholders is sought for his continuation and reappointment as an Independent Director of the Company as set out in Item No. 6 of this Notice for a second term upto the conclusion of 59th Annual General Meeting to be held for the financial year 2021-22.

Except Dr. Sivaram and his relatives, none of the other Promoters, Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of this Notice.

By Order of the Board of Directors

For GMM Pfaudler Limited

Mittal Mehta
Company Secretary
M. No. F7848

Place: Mumbai,
Date: May 30, 2019

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. Khurshed Thanawalla**
DIN	00201749
Date of Birth	December 24, 1942
Qualifications	Commerce Graduate from the Bombay University, Fellow of The Institute of Chartered Securities & Administrators, London. Also, an Associate of the Textile Institute, U.K. and of the British Institute of Management
Expertise in specific functional area	Finance, Marketing, & General Management
Date of first appointment on the Board	June 30, 2015
Shareholding in the Company as on March 31, 2019	Nil
Terms and conditions of appointment/ continuation of Directorship	Non-Executive Director liable to retire by rotation.
Details of last remuneration drawn in ₹ (FY 2018-19)	₹ 0.15 million as sitting fees
Details of proposed remuneration	Sitting fees as may be approved by the Board, in accordance with the applicable provisions of law.
Inter-se Relationship between • Directors • Key Managerial Personnel	Not Applicable
Number of Meetings of the Board attended during the financial year 2018-19.	Held - 4 Attended - 3
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of the Company	Nil
Other Companies in which she/he is a Director excluding Directorship in Private and Section 8 Companies*	1. Stovec Industries Ltd.
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of other Listed Companies in which he is a Director	Chairman of two Committees and Member of two Committees of the Board of other listed companies.

Name of Director	**Mr. Thomas Kehl**
DIN	06935094
Date of Birth	March 30, 1960
Qualifications	Degree in Marketing and General Management from The University for Applied Sciences Mainz
Expertise in specific functional area	International Business, Technology, Strategy, Marketing and General Management
Date of first appointment on the Board	May 19, 2015
Shareholding in the Company as on March 31, 2019	Nil
Terms and conditions of appointment/ continuation of Directorship	Non-Executive Director liable to retire by rotation.
Details of last remuneration drawn in ₹ (FY 2018-19)	Nil
Details of proposed remuneration	Mr. Thomas Kehl has given a waiver for his right to receive sitting fees vide letter dated July 30, 2015.
Inter-se Relationship between • Directors • Key Managerial Personnel	Not Applicable

Annexure (Contd.)

Name of Director	Mr. Thomas Kehl
Number of Meetings of the Board attended during the financial year 2018-19.	Held - 4 Attended - 2
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of the Company	Member of the Nomination & Remuneration Committee
Other Companies in which she/he is a Director excluding Directorship in Private and Section 8 Companies*	Nil
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of other Listed Companies in which he is a Director	Nil

Name of Director	Dr. S. Sivaram
DIN	00009900
Date of Birth	November 4, 1946
Qualifications	Master's degree in Chemistry from the Indian Institute of Technology, Kanpur, PhD in Chemistry from Purdue University, W. Lafayette, Indiana, USA , DSc (h.c) from Purdue University, W. Lafayette, Indiana, USA
Expertise in specific functional area	Polymer Science and Technology, Technology Strategy, Corporate Governance and General Management
Date of first appointment on the Board	June 26, 2003
Shareholding in the Company as on March 31, 2019	Nil
Terms and conditions of appointment/ continuation of Directorship	Reappointed as an Independent Director for a second term from February 11, 2020 upto the conclusion of 59th Annual General Meeting to be held for the financial year 2021-22.
Details of last remuneration drawn in ₹ (FY 2018-19)	₹ 0.48 million as sitting fees
Details of proposed remuneration	Sitting fees as may be approved by the Board, in accordance with the applicable provisions of law.
Inter-se Relationship between • Directors • Key Managerial Personnel	Not Applicable
Number of Meetings of the Board attended during the financial year 2018-19.	Held - 4 Attended - 3
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of the Company	Chairman of the Audit Committee, and Stakeholders Relationship Committee Member of the Nomination & Remuneration Committee
Other Companies in which she/he is a Director excluding Directorship in Private and Section 8 Companies*	1. Apcotex Industries Limited 2. Asian Paints Limited 3. Deepak Nitrite Limited 4. Gharda Chemicals Limited 5. Supreme Petrochem Limited 6. Vyome Therapeutics Limited
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of other Listed Companies in which he is a Director	Chairman of two Committees and Member of two Committees of the Board of other companies.

*Based on disclosures received from the Directors

Board's Report

To the Members:

The Directors have pleasure in presenting the Fifty Sixth Annual Report along with the Audited Statement of Accounts of the Company for the year ended March 31, 2019.

1. SUMMARY OF THE FINANCIAL RESULTS:

(₹ in Million)

	STAND-ALONE	
Particulars	**31.03.2019**	**31.03.2018**
Revenue from operations (Net of excise duty)	4,187.02	3,124.10
Profit before tax	612.73	438.95
Profit after tax	406.35	283.75

During the financial year 2018-19, on a standalone basis, revenue was up by 34%, profit before tax was up by 40% and profit after tax was up by 43% as compared to previous financial year.

(₹ in Million)

	CONSOLIDATED	
Particulars	**31.03.2019**	**31.03.2018**
Revenue from operations (Net of excise duty)	5,026.43	4,056.99
Profit before tax	732.70	606.51
Profit after tax	505.81	426.76

During the financial year 2018-19, on a consolidated basis, revenue was up by 24%, profit before tax was up by 21% and profit after tax was up by 19% as compared to previous financial year.

During the financial year 2018-19, there was no change in the business activities of the Company.

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

2. DIVIDEND:

During the year under review, the Board of Directors declared and paid three interim dividends of ₹ 1.00 per share each aggregating to ₹ 3.00 per share. The total amount distributed as interim dividends on the paid-up share capital for the year amounted to ₹ 43.85 million (excluding dividend tax of ₹ 9.01 million).

Based on the performance of the Company for the year, the Board of Directors is pleased to recommend a final dividend of ₹ 1.50 per equity share subject to approval of the Shareholders at the Annual General Meeting, which if approved will absorb ₹ 21.93 million towards dividend and ₹ 4.51 million as dividend tax.

The aggregate amount of interim dividends paid during the year and the final dividend recommended for the financial year ended March 31, 2019 amounts to ₹ 4.50 per share i.e. ₹ 65.78 million (excluding dividend tax of ₹ 13.52 million).

3. TRANSFER TO RESERVES:

No amount is proposed to be transferred to General Reserve out of the net profits of the Company for the financial year 2018-19. Hence, the entire amount of profit has been carried forward to the Profit & Loss Account.

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

The performance and financial position of GMM Mavag AG and Mavag AG, the wholly owned subsidiaries of the Company for the year ended March 31, 2019 are set out as 'Annexure A' forming a part of this Report.

During the financial year 2018-19, Karamsad Investment Limited and Karamsad Holdings Limited, subsidiaries of the Company have applied for Members' Voluntary Winding up under Section 59 of the Insolvency and Bankruptcy Code, 2016.

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

5. SHARE CAPITAL:

There was no change in Authorised and Paid up Share Capital of the Company and neither there was any reclassification of sub division of equity shares during the year under review.

6. ACQUISITION OF INDUSTRIAL MIXING SOLUTIONS DIVISION OF SUDARSHAN CHEMICAL INDUSTRIES LIMITED:

On April 26, 2019, the Company has acquired the Industrial Mixing Solutions Division of Sudarshan Chemical Industries Ltd., Pune. This acquisition is expected to enhance GMM Pfaudler's industrial mixing business vertical by bringing in new products, technologies, customers and industry segments. Significant cost synergies are expected due to economies of scale, value engineering and by leveraging the strengths of both the organisations in their markets. The two businesses once consolidated would become India's premier industrial mixing solutions provider.

7. REVISION OF FINANCIAL STATEMENTS:

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

8. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:

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

9. INTERNAL CONTROL SYSTEMS:

The Company's internal control procedure, which includes internal financial controls, ensures compliance with various policies, practices and statutes keeping in view the organization's pace of growth and increasing complexity of operations. The Internal Auditors carry out extensive audits throughout the year across all functional areas and submit its reports to the Audit Committee on a quarterly basis. The said Reports do not contain any observation of any serious lapse in the system.

10. MANAGEMENT DISCUSSION & ANALYSIS:

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

11. CORPORATE GOVERNANCE:

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

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

12. CORPORATE SOCIAL RESPONSIBILITY POLICY:

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

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

The composition of the Committee, contents of CSR Policy and report on CSR activities carried out during the financial year ended March 31, 2019 in the format prescribed under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are set out as 'Annexure B' forming a part of this Report.

13. RELATED PARTY TRANSACTIONS:

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

All related party transactions are being reviewed and certified by an Independent Consultant and placed before the Audit Committee from time to time for their approval and also been taken on record by the Board.

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

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

For details please refer to Note 36 to the Stand-alone Financial Statements which sets out related party disclosures.

14. RISK MANAGEMENT POLICY:

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

15. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP):

A. DIRECTORS:

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

During the year under review, Mr. P. Krishnamurthy, Independent Director resigned as Director of the Company w.e.f. May 14, 2018 pursuant to proviso of

Board's Report (Contd.)

sub-section (1) of Section 167 of the Companies Act, 2013 notified by the Ministry of Company Affairs vide notification dated May 7, 2018. Mr. Nakul Toshniwal was appointed as an Independent Director of the Company w.e.f. May 16, 2018 to fill in the casual vacancy created by the resignation of Mr. P. Krishnamurthy.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Khurshed Thanawalla and Mr. Thomas Kehl, Directors being longest in the office, will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment. The Board recommends their re-appointment. In accordance with the provisions of the Comanies Act, 2013 none of the Independent Directors is liable to retire by rotation.

All Directors have given a certificate to the Compliance Officer confirming the adherence to the Code of Conduct & Ethics Policy of the Company for the financial year 2018-19.

B. INDEPENDENT DIRECTORS:

The Independent Directors of the Company have given the declaration and confirmation to the Company as required under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI Listing Regulations confirming that they meet the criteria of independence and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

C. KEY MANAGERIAL PERSONNEL:

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

D. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, and in relation to the audited financial statements of the Company for the year ended March 31, 2019, the Board of Directors hereby confirms that:

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

b. such accounting policies have been selected and applied consistently and the Directors have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for that year;

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

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

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

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

E. MEETINGS OF THE BOARD:

Four (4) Meetings of the Board of Directors were held during the financial year ended March 31, 2019. 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.

F. AUDIT COMMITTEE:

The Audit Committee as on date comprises of four members viz. Dr. S. Sivaram, Dr. Amrita Patel, Mr. Nakul Toshniwal (Independent Directors) and Dr. Dominic Deller (Non-Executive Director). The details of meetings of the Committee held during the financial year under review along with attendance of members thereof and Role of the Committee is provided in the Corporate Governance Report annexed to this Report. All the recommendations made by the Audit Committee during the year were accepted by the Board.

G. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Pursuant to Section 178 of the Companies Act, 2013, the Stakeholder's Relationship Committee constituted by the Board of Directors to deal with the matters related to stakeholders' grievances met 3 times during the financial year.

The details of meetings of the Committee held during the financial year under review along with attendance of members thereof and status of grievances received from various stakeholders during the financial year are furnished in the Corporate Governance Report Section of the Board' Report.

H. NOMINATION, REMUNERATION AND EVALUATION POLICY:

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

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

I. BOARD EVALUATION:

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

(a) For Independent Directors:

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

(b) For Executive Directors

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

The Directors expressed their satisfaction with the evaluation process.

J. 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, 2019 are available on the Company's website at http://www.gmmpfaudler.com/contentFamilarization Programme.pdf

K. SECRETARIAL STANDARDS:

The Directors state that all applicable Secretarial Standards issued by the Institute of Company Secretaries of India have been duly followed by the Company.

16. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:

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

The employees of the Company have the right to report their concern/ grievance to the Chairman of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

No instance under the Whistle Blower Policy was reported during the financial year 2018-19.

17. PUBLIC DEPOSITS:

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review.

Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

18. AUDITORS AND AUDITORS' REPORT:

A. STATUTORY AUDITORS:

Deloitte, Haskins & Sells LLP, Chartered Accountants (FRN 117366W) were appointed as Statutory Auditors of the Company, for a term of consecutive five years, i.e. from the conclusion of 52nd Annual General Meeting till the conclusion of 57th Annual General Meeting by the shareholders of the Company. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

Board's Report (Contd.)

The Auditors' Report for the financial year ended March 31, 2019 report does not contain any reservation, qualification or adverse remark. The notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

B. SECRETARIAL AUDIT:

Secretarial Audit Report obtained pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under, from M/s. Rathi and Associates, Practicing Company Secretaries for the financial year 2018-19 is set out at 'Annexure D' forming a part of this Report.

The Secretarial Auditors Report for the financial year ended March 31, 2019 does not contain any reservation, qualification or adverse remark.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under, the Board of Directors has re-appointed M/s. Rathi and Associates, Practicing Company Secretaries for conducting Secretarial Audit Report of the Company for the financial year 2019-20.

C. COST AUDITORS:

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company maintains the cost accounting records in respect of its manufacturing activities.

M/s. Dalwadi & Associates, Cost Accountants, Ahmedabad, Cost Auditors of the Company for the financial year 2018-19 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 2019-20.

Necessary resolution for ratification of payment of remuneration to the said Cost Auditors is included in the Notice of Annual General Meeting dated May 30, 2019.

D. INTERNAL AUDITORS:

M/s. Kalyaniwalla & Mistry, Chartered Accountants has been re-appointed as Internal Auditors of the Company for the financial 2019-20.

19. CREDIT RATING:

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

CRISIL has also re-affirmed its rating of the Company's long-term bank facilities to "AA-/stable" which is considered to have high degree of safety regarding timely servicing of financial obligations carrying low 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)(l) OF THE COMPANIES ACT, 2013:

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since March 31, 2019. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

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

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

D. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2019 made under the provisions of Section 92(3) of the Companies Act, 2013 is set out at 'Annexure G' forming a part of this Report.

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

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year under review and 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 Companies Act, 2013 are given at Notes forming part of the Financial Statements. During the financial year, the Company has neither provided any securities nor provided corporate guarantees for loans availed by the others.

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

During the year under review, Mr. Tarak Patel, Managing Director received a remuneration of 35,000 CHF from Mavag AG, Subsidiary of the Company.

H. INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 123 and 125 of the Companies Act, 2013 read with the "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017" the amounts of dividends remaining unclaimed for a period of seven years and shares thereon are transferred to the Investor Education and Protection Fund ("IEPF").

During the year under review, the Company has transferred ₹ 263,884/- on account of unclaimed/ unpaid dividend and 6,909 equity shares of face value ₹ 2/- each to the IEPF.

Details of the Nodal Officer: Ms. Mittal Mehta, Company Secretary & Compliance Officer.

Email: mittal.mehta@gmmpfaudler.com

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

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

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, the Company has not received any complaint.

22. GENERAL:

The Board of Directors confirm that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the financial year 2018-19:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. Issue of shares (including sweat equity shares or Stock options) to employees of the Company;
3. non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014;
4. Material or serious instances of fraud falling within the purview of Section 143(12) of the Companies Act, 2013 and Rules made there under.

23. ACKNOWLEDGEMENT:

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

For and on behalf of the Board of Directors

Dr. S. Sivaram	**Tarak Patel**
Chairman	Managing Director
DIN : 00009900	DIN : 00166183

Place: Mumbai
Date: May 30, 2019

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

Annexure 'A'

PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

As on financial year ended on March 31, 2019

Sr. No	Name of the subsidiary	GMM Mavag AG	Mavag AG
1	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	CHF 69.80	CHF 69.80
3	Share capital	349.00	104.70
4	Reserves and Surplus	7.33	527.72
5	Total Assets	357.80	946.92
6	Total Liabilities	1.47	314.50
7	Investments	349.00	-
8	Turnover	-	1,057.86
9	Profit before taxation	2.98	127.44
10	Provision for taxation	0.01	21.23
11	Profit after taxation	2.97	106.21
12	Proposed Dividend	-	2.68
13	% of shareholding	100%	100%

Notes :

1. Financial numbers are taken from audited accounts as per local GAAP and converted using exchange rate as on March 31, 2019.
2. GMM Mavag AG was incorporated as a wholly owned subsidiary of GMM Pfaudler Limited on December 21, 2007.
3. Mavag AG is a wholly owned subsidiary of GMM Mavag AG and was acquired on January 11, 2008.

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
Din: 00009900

Tarak Patel
Managing Director
DIN: 00166183

Place: Mumbai
Date: May 30, 2019

Annexure 'B'

ANNUAL REPORT ON CSR ACTIVITIES

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

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

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

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

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

   The members of the Committee comprises of:

   - Dr. Amrita Patel (Chairperson) - Independent Director
   - Mr. Nakul Toshniwal - Independent Director
   - Mr. Ashok Patel - Non Executive Director
   - Mr. Tarak Patel - Managing Director

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

   Average Profits for the last three financial years calculated as per Section 198 of the Companies Act, 2013: ₹ 365.56 million

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

   ₹ 7.31 million

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

   ₹ 0.06 million

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

   (a) **Total amount spent for the financial year:** ₹ 7.38 million

   (b) **Amount unspent, if any:** Nil

Annexure 'B' (Contd.)

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

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the state and district where project or program was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure upto the reporting period (in ₹ million)	Amount spent direct or through implementing agency (IA)
1.	Project "Sparsh"- Promoting rural healthcare	Promoting healthcare including preventive healthcare	Karamsad, Dist. Anand, Gujarat	2.80	2.80	9.86	Through IA - Charutar Arogya Mandal.
2.	Maintenance of Public Facilities at Sardar Patel Memorial	Ensuring Environ-mental Sustain-ability	Karamsad, Dist. Anand, Gujarat	0.64	0.64	0.64	Through IA - Sardar Patel Trust.
3.	Vocational Skill Development (Annual Operating Program)	Promoting education and enhancing vocational skills	Karamsad, Dist. Anand, Gujarat	1.45	1.45	1.45	Through IA – J. V. Patel Industrial Training Institute.
4.	Vocational Skill Development (Skill development Program under Pradhan Mantri Kaushal Vikas Yojana 2.0 (CSSM Component of PMKVY 2.0)	Promoting education and enhancing vocational skills	Karamsad, Dist. Anand, Gujarat	–	0.79	0.79	Through IA – J. V. Patel Industrial Training Institute.
5.	Contribution to ReefWatch Marine Conservation for Project "Re(ef) Generate" at Andaman Islands.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna	Andaman Islands	1.00	1.00	1.00	Through IA – ReefWatch Marine Conservation
6.	Contribution to Chief Minister's Distress Relief Fund	Eradicating hunger, poverty and malnutrition, promoting health care including preventing health care and sanitation and make available safe drinking water	Kerala, Karnataka	0.20	0.20	0.20	–
7.	Contribution to Magic Bus India Foundation for their ongoing program on improving life skills of underprivileged children.	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Mumbai, Maharashtra	0.50	0.50	0.50	Through IA – Magic Bus India Foundation
			Total	**6.59**	**7.38**	**14.44**	

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

   Not Applicable

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

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

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
Din: 00009900

Tarak Patel
Managing Director
DIN: 00166183

Place: Mumbai
Date: May 30, 2019

Annexure 'C'

NOMINATION, REMUNERATION AND EVALUATION POLICY

1. APPLICABILITY

This Nomination, Remuneration and Evaluation Policy (the "Policy") applies to the Board of Directors (the "Board") and the Key Managerial Personnel (the "KMP") of GMM Pfaudler Limited (the "Company"). This Policy is in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

2. PURPOSE

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

3. ACCOUNTABILITIES

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

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

4. APPOINTMENT OF DIRECTORS & KMPS

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

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

4.2. Personal specifications:

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

4.3. Letters of Appointment

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

5. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

The Nominations & Remuneration Committee determines individual remuneration packages for Directors and KMPs of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the

Annexure 'C' (Contd.)

Company as well as prevailing laws and government/ other guidelines. The Committee consults with the Chairman of the Board as it deems appropriate.

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

(i) Remuneration:

a) Base Compensation (fixed salaries)

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

b) Variable salary:

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

(ii) Statutory Requirements:

- Section 197(5) of the Companies Act, 2013 provides for remuneration by way of a sitting fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.
- Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its Directors, including Managing director and Whole Time Director, and its Manager in respect of any financial year to not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Companies Act, 2013.
- The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.
- The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to any one Managing Director/ Whole Time Director/Manager and ten percent in case of more than one such official.
- The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case.
- The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

5.2. The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of sitting fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.

5.3. The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.

5.4. The remuneration payable to the Key Managerial Personnel shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

6. EVALUATION/ ASSESSMENT OF DIRECTORS AND KMP'S OF THE COMPANY

The evaluation/assessment of the Directors and KMPs of the Company is to be conducted on an annual basis and to satisfy the requirements of the SEBI Listing Regulations. The following criteria may assist in determining how effective the performances of the Directors and KMPs have been:

- Leadership & stewardship abilities
- contributing to clearly defined corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- obtain adequate, relevant & timely information from external sources.

Annexure 'C' (Contd.)

- review & approve achievement of strategic and operational plans, objectives, budgets
- regular monitoring of corporate results against projections
- identify, monitor & mitigate significant corporate risks
- assess policies, structures & procedures
- direct, monitor & evaluate KMPs
- review management's succession plan
- effective meetings
- assuring appropriate board size, composition, independence, structure
- clearly defining roles & monitoring activities of committees
- review of corporation's ethical conduct

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/ assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

By Order of the Board of Directors

Dr. S. Sivaram	**Tarak Patel**
Chairman	Managing Director
Din: 00009900	DIN: 00166183

Place: Mumbai

Date: May 30, 2019

Annexure 'D'

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by GMM Pfaudler Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by GMM Pfaudler Limited ("the Company") as given in Annexure I, for the Financial Year ended on 31st March, 2019, according to the provisions of:
   - (i) The Companies Act, 2013 (the Act) and the rules made there under;
   - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
   - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
   - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
   - (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
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
   - i. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations,1993,regarding the Companies Act and dealing with client;
   - ii. The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998;
   - iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   - iv. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   - v. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
   - vi. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
3. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings were not attracted under the financial year under report.
4. 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 Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including

Annexure 'D' (Contd.)

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

The Board of Directors of the Company has a 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 review were carried out in compliance with the provisions of the Act.

Mr. P. Krishnamurthy, Independent Director resigned as a Director of the Company w.e.f. May 14, 2018 pursuant to proviso of sub-section (1) of Section 167 of the Act. Meanwhile, Mr. Nakul Toshniwal was appointed as an Independent Director of the Company w.e.f. May 16, 2018 to fill in the casual vacancy created by the resignation of Mr. P. Krishnamurthy.

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

As per the minutes of the meetings, the decisions of the Board were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Rathi & Associates
Company Secretaries

Jayesh M. Shah
Partner
FCS No. 5637
C.P. No. 2535

Place: Mumbai
Date: May 30, 2019

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

ANNEXURE – I

List of documents verified:

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended March 31, 2018.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Share Transfer Committee, Independent Directors Committee along with Attendance Registers thereof, in respect of the meetings held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report documents related thereto.
5. Policies under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and the Companies Act, 2013.
6. Statutory Registers under the Companies Act, 2013.
7. Notice and Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 164(2), 149 (7), 184 (1) of the Companies Act, 2013, as applicable.
9. Intimations received from directors under the prohibition of Insider Trading Code.
10. E-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
11. Intimations / documents / reports / returns filed with the Stock Exchange pursuant to the provisions of LODR and SAST Regulations during the financial year under report.
12. Documents related to payment of dividends made to its shareholders during the financial year under report.
13. Documents filed with the Stock Exchanges.
14. Statement of Related Party Transactions entered into by the Company during the financial year under report.
15. Compliance Certificate placed before the Board of Directors from time to time.

Annexure 'D' (Contd.)

ANNEXURE – II

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

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Rathi & Associates
Company Secretaries

Jayesh M. Shah
Partner
FCS No. 5637
C.P. No. 2535

Place: Mumbai
Date: May 30, 2019

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. Installed Variable Frequency Drives in 4 shot blasting blowers of 15 KW each & obtained 30% power saving
2. Installed 18 Split Air Conditioners with 3-star energy ratings (Cap 0.75T x 18 Nos)
3. Installed 12 Cassette Air Conditioners with 3-star energy ratings (Cap 2.7T x 7 Nos, Cap 3.5Tx4 Nos, Cap 2Tx 1 No)
4. Installed a total of 4.4 KW LED lighting (36W x 105 Nos, 16W x 46 Nos) in office building and saved up to 50% power consumption.
5. Saved 3.78 Lacs Kwh/Year by scheduled operation of air compressors for OE plant
6. Installed LED lighting in the factory premises (40Watt X 20 Nos, 100W X 6 Nos) & saved up to 50% energy
7. 25% water saving per day by water reuse for hydro test & gardening, also saved by toilet flushing control & leakage arresting.

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

1. The Company owns and maintains windmills with a total generating capacity of 1.8 MW. The windmills generate about 1.61 million units per annum.

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

1. Retrofitted 50 KW Furnace (2Nos) to improve efficiency.
2. Retrofitted 330 KW Furnace to improve efficiency & minimize breakdown.
3. Retrofitted 1 crane for Parts pipe yard to reduce breakdown time.
4. Reconditioned 2 Lathe Machine & achieved machining accuracy to minimize rework & rejection.

(d) Safety:
Upgraded Electrical installation in Glass Lined Assembly Bay-1 facility.

(e) Capital investment on energy conservation equipment: 2.07 million

B. TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption:
In house product development team works on product improvement, import substitution and new products.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Cost reduction, import substitution and new products.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

(a) The details of technology imported – NIL
(b) The year of import – N.A.
(c) Whether the technology been fully absorbed – N.A.
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof – N.A.

(iv) The expenditure incurred on Research & Development:

(₹ In Millions)

	Year ended 31.03.2019	Year ended 31.03.2018
Capital Expenditure	-	-
Recurring Expenditure	14.44	11.02
Total	14.44	11.02
Total R & D Expenditure as % of Total Turnover	0.35%	0.35%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ In Millions)

	Year ended 31.03.2019	Year ended 31.03.2018
Actual Foreign Exchange earnings	453.34	278.11
Actual Foreign Exchange outgo	240.30	246.00

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
Din: 00009900

Tarak Patel
Managing Director
DIN: 00166183

Place: Mumbai
Date: May 30, 2019

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 2018-19:**

Name of Director	Percentage increase in remuneration	Ratio of remuneration of each Director / KMP to Median remuneration of employees
*Dr. S. Sivaram - Non-Executive & Independent Chairman	N.A.	N.A.
*Dr. Amrita Patel - Non-Executive & Independent Director	N.A.	N.A.
*Nakul Toshiniwal	N.A.	N.A.
*Mr. Khurshed Thanawalla - Non-Executive Director	N.A.	N.A.
#Mr. Thomas Kehl - Non-Executive Director	N.A.	N.A.
#Dr. Dominic Deller – Non-Executive Director	N.A.	N.A.
*Mr. Ashok Patel - Non-Executive Director	N.A.	N.A.
Mr. Tarak Patel – Managing Director	54%	55
Mr. Ashok Pillai - Chief Operating Officer	19%	20
Mr. Jugal Sahu - Chief Financial Officer	9%	14
Ms. Mittal Mehta - Company Secretary & Compliance Officer	13%	4

*Entitled for sitting fees of ₹ 50,000 for attending each Board meeting and ₹ 25,000 for attending each Committee meeting.
Sitting fee waiver given

2. **The percentage increase in the median remuneration of employees in the financial year ended March 31, 2019:** 6%

   Median remuneration and average percentage increase in salary calculated on the basis of number of employees who were in the employment of the Company throughout the year for better comparison.

3. **The number of permanent employees on the rolls of the Company:** 480

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. 2018-19 was 11%, whereas the increase in the managerial remuneration for the same financial year was 54%. 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.

Annexure 'F' (Contd.)

6. List of employees of the Company drawing salary not less than ₹ 102 lacs per annum or ₹ 8.50 lacs per month during the financial year 2018-19:

Name	Designation	Remuneration	Qualifications	Experience (in years)	Joining date	Age	Last employ-ment
Mr. Tarak Patel	Managing Director	₹ 31.18 million p.a.	BA, University of Rochester, USA; MBA jointly conferred by Columbia Business School, London Business School and University of Hong Kong (HKU) Business School	17	15.01.2001	42	-
Mr. Ashok Pillai	Chief Operating Officer	₹ 11.21 million p.a.	BE (Hons) in Electrical and Electronics from BITS, Pilani; Diploma in Management Studies from Mumbai University	37	01.08.1995	64	-

Notes:

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

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

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

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
Din: 00009900

Tarak Patel
Managing Director
DIN: 00166183

Place: Mumbai
Date: May 30, 2019

Annexure 'G'

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

* **Karamsad Holdings Limited** (KHL) and **Karamsad Investments Limited** (KIL) (Wholly owned Subsidiary of the Company) has applied for Members' Voluntary Winding up under provisions of Section 59 of the Insolvency and Bankruptcy Code, 2016 on August 11, 2018.

Annexure 'G' (Contd.)

IV. SHARE HOLDING PATTERN

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

a) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1,301,045	-	1,301,045	8.90	1,301,045	-	1,301,045	8.90	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2,036,480	-	2,036,480	13.93	2,036,480	-	2,036,480	13.93	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (Trust)	253,125	-	253,125	1.73	253,125	-	253,125	1.73	-
Sub-total(A)(1):	3,590,650	-	3,590,650	24.56	3,590,650	-	3,590,650	24.56	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	7,372,475	-	7,372,475	50.44	7,372,475	-	7,372,475	50.44	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	**7,372,475**	**-**	**7,372,475**	**50.44**	**7,372,475**	**-**	**7,372,475**	**50.44**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**10,963,125**	**-**	**10,963,125**	**75.00**	**10,963,125**	**-**	**10,963,125**	**75.00**	**-**
B. Public									
Shareholding									
(1) Institutions									
a) Mutual Funds	80,000	-	80,000	0.55	146,863	-	146,863	1.00	+0.45
b) Banks / FI	225	-	225	0.00	7,480	-	7,480	0.05	+0.05
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	54,448	-	54,448	0.37	-	-	-	-	(0.37)
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investor	3,377	-	3,377	0.02	48,875	-	48,875	0.33	+0.31
Sub-total (B)(1):	**138,050**	**-**	**138,050**	**0.94**	**203,218**	**-**	**203,218**	**1.39**	**+0.44**
(2) Government	40,512	-	40,512	0.27	-	-	-	-	(0.27)
Sub-total (B)(2):	**40,512**	**-**	**40,512**	**0.27**	**-**	**-**	**-**	**-**	**(0.27)**
(3)Non-Institutions									
a) Bodies Corp.									
i) Indian	580,832	75	580,907	3.97	615,140	75	615,215	4.21	+0.24
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	2,104,503	201,825	2,306,328	15.78	2,046,765	168,085	2,214,850	15.15	(0.63)
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	197,303	118,125	315,428	2.15	179,358	118,125	297,483	2.04	(0.11)
c) Any Other (Clearing member)	22,815	-	22,815	0.16	11,749	-	11,749	0.08	(0.08)
c-i) Any Other (Trust)	20,732	-	20,732	0.14	20,657	-	20,657	0.14	-
c-ii) Any Other (Non Resident Indians)	228,818	785	229,603	1.57	241,582	-	241,582	1.65	+0.08
c-iii) Any Other (IEPF)	-	-	-	-	47,421	-	47,421	0.32	+0.32
d) NBFCs registered with RBI	-	-	-	-	2,200	-	2,200	0.01	+0.01
Sub-total(B)(3):	**3,155,003**	**320,810**	**3,475,813**	**23.77**	**3,164,872**	**286,285**	**3,475,813**	**23.60**	**(0.17)**
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	**3,333,565**	**320,810**	**3,654,375**	**25.00**	**3,368,090**	**286,285**	**3,654,375**	**25.00**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-Grand Total (A+B+C)	**14,296,680**	**320,810**	**14,617,500**	**100.00**	**1,4331,215**	**286,285**	**14,617,500**	**100.00**	**-**

Annexure 'G' (Contd.)

b) Shareholding of Promoters:

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

c) Change in Promoters' Shareholding: NIL

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 1.04.2018		Transactions during the year		Cumulative shareholding at the end of the year 31.03.2019	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	Chandler & Price (I) Pvt Ltd	351,555	2.40	-	-	351,555	2.4000
2	L&T Mutual Fund Trustee Limited - L&T Emerging Opportunities Fund - Series I	80,000	0.54			0	0.00
	Transfer			06.04.2018	5,800	85,800	0.5870
	Transfer			25.05.2018	1,200	87,000	0.5952
	Transfer			01.06.2018	1,119	88,119	0.6028
	Transfer			08.06.2018	4,641	92,760	0.6346
	Transfer			15.06.2018	2,124	94,884	0.6491
	Transfer			22.06.2018	5,505	100,389	0.6868
	Transfer			13.07.2018	2,000	102,389	0.7005
	Transfer			20.07.2018	2,278	104,667	0.7160
	Transfer			27.07.2018	3,911	108,578	0.7428
	Transfer			03.08.2018	1,395	109,973	0.7523
	Transfer			10.08.2018	6,640	116,613	0.7978
	Transfer			17.08.2018	16,263	132,876	0.9090

Annexure 'G' (Contd.)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 1.04.2018		Transactions during the year		Cumulative shareholding at the end of the year 31.03.2019	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			24.08.2018	185	133,061	0.9103
	Transfer			07.09.2018	9,928	142,989	0.9782
	Transfer			12.10.2018	920	143,909	0.9845
	Transfer			19.10.2018	222	144,131	0.9860
	Transfer			14.12.2018	2,732	146,863	1.0047
	At the end of the year					146,863	1.0047
3	Sumant J. Patel	118,125	0.80	-	-	118,125	0.8000
4	IIFL Securities Ltd.	100,433	0.6871	-	-	-	-
	Transfer			06.04.2018	(1)	100,432	0.6871
	Transfer			13.04.2018	(100,432)	0	0.0000
	Transfer			20.04.2018	100,432	100,432	0.6871
	Transfer			18.05.2018	42	100,474	0.6874
	Transfer			25.05.2018	17	100,491	0.6875
	Transfer			01.06.2018	105	100,596	0.6882
	Transfer			08.06.2018	(196)	100,400	0.6868
	Transfer			15.06.2018	35	100,435	0.6871
	Transfer			22.06.2018	(35)	100,400	0.6868
	Transfer			27.07.2018	685	101,085	0.6915
	Transfer			03.08.2018	(665)	100,420	0.6870
	Transfer			10.08.2018	817	101,237	0.6926
	Transfer			17.08.2018	(589)	100,648	0.6885
	Transfer			24.08.2018	(53)	100,595	0.6882
	Transfer			31.08.2018	(185)	100,410	0.6869
	Transfer			07.09.2018	(10)	100,400	0.6868
	Transfer			29.05.2018	48	100,448	0.6872
	Transfer			05.10.2018	(61,037)	39,411	0.2696
	Transfer			12.10.2018	(39,002)	409	0.0028
	Transfer			19.10.2018	2	411	0.0028
	Transfer			26.10.2018	(10)	401	0.0027
	Transfer			09.11.2018	25	426	0.0029
	Transfer			16.11.2018	20	446	0.0031
	Transfer			23.11.2018	97	543	0.0037
	Transfer			30.11.2018	(89)	454	0.0031
	Transfer			07.12.2018	54	508	0.0035
	Transfer			14.12.2018	70	578	0.0040
	Transfer			21.12.2018	(162)	416	0.0028
	Transfer			28.12.2018	76	492	0.0034
	Transfer			31.12.2018	(91)	401	0.0027
	Transfer			04.01.2019	10	411	0.0028
	Transfer			11.01.2019	22	433	0.0030
	Transfer			18.01.2019	(22)	411	0.0028
	Transfer			01.02.2019	86	497	0.0034
	Transfer			08.02.2019	(87)	410	0.0028
	Transfer			15.02.2019	(9)	401	0.0027
	Transfer			22.02.2019	20	421	0.0029
	Transfer			01.03.2019	(10)	411	0.0028
	Transfer			08.03.2019	(7)	404	0.0028
	Transfer			22.03.2019	50	454	0.0031

Annexure 'G' (Contd.)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 1.04.2018		Transactions during the year		Cumulative shareholding at the end of the year 31.03.2019	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			29.03.2019	(35)	419	0.0029
	Transfer			30.03.2019	84,238	84,657	0.5791
	At the end of the year					84,657	0.5791
5	Mr. Danesh Boman Irani	79,821	0.5461				
	Transfer			13.04.2018	300	80,121	0.5481
	Transfer			11.05.2018	(2,000)	78,121	0.5344
	Transfer			18.05.2018	(3,000)	75,121	0.5139
	Transfer			21.09.2018	(621)	74,500	0.5097
	Transfer			14.12.2018	(2,000)	72,500	0.4960
	Transfer			21.12.2018	(2,000)	70,500	0.4823
	Transfer			11.01.2019	(75)	70,425	0.4818
	Transfer			01.02.2019	(235)	70,190	0.4802
	Transfer			01.03.2019	(500)	69,690	0.4768
	At the end of the year					69,690	0.4768
6	Mr. Boman Burjor Irani	62,144	0.4251	-	-		
	Transfer			21.09.2018	(478)	61,666	0.4219
	Transfer			25.01.2019	(1,816)	59,850	0.4094
	Transfer			01.03.2019	(750)	59,100	0.4043
	Transfer			08.03.2019	(800)	58,300	0.3988
	At the end of the year					58,300	0.3988
7	Ms. Kashmira Irani	55,338	0.3786				
	Transfer			31.08.2018	(3,970)	51,368	0.3514
	At the end of the year					51,368	0.3514
8	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	40,512	0.2771				
	Transfer			28.06.2018	2,655	43,167	0.2953
	Transfer			01.11.2018	1,830	44,997	0.3078
	Transfer			02.11.2018	10	45,007	0.3079
	Transfer			01.02.2019	2,405	47,412	0.3243
	Transfer			05.02.2019	9	47,421	0.3244
	At the end of the year	-	-	-		47,421	0.3244
9	Habrok India Master LP	0	0.0000				
	Transfer			11.05.2018	450	450	0.0031
	Transfer			18.05.2018	10,247	10,697	0.0732
	Transfer			25.05.2018	30,800	41,497	0.2839
	Transfer			01.06.2018	10,800	52,297	0.3578
	Transfer			31.08.2018	(5,032)	47,265	0.3233
	Transfer			07.09.2018	(339)	46,926	0.3210
	At the end of the year					46,926	0.3210
10	Suman Bang	34,141	0.2336				
	Transfer			01.06.2018	1,600	35,741	0.2445
	At the end of the year	-	-	-		35,741	0.2445

Annexure 'G' (Contd.)

e) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Ashok Patel	6,745	0.0461	6,745	0.0461
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2019)	N.A.	N.A.	6,745	0.0461
2	Tarak Patel	173,960	1.1901	173,960	1.1901
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2019)	N.A.	N.A.	173,960	1.1901
3	Dr. Amrita Patel	375	0.002	375	0.002
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2019)	N.A.	N.A.	375	0.002
4	Ashok Pillai	750	0.005	750	0.005
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2019)	N.A.	N.A.	750	0.005

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

V. INDEBTEDNESS:

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(₹ in millions)

Sr. No.	Particulars of Remuneration to Mr. Tarak Patel, Managing Director	Total Amount
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.19
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.04
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	22.64 (based on performance)
	- as % of profit	-
	- others, specify	-
5	Others – Retirement benefits	1.31
	Total (A)	**31.18**
	Ceiling as per the Companies Act, 2013	31.18 (Being 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)

Annexure 'G' (Contd.)

b) Remuneration to other Directors:

(₹ in millions)

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors		
	Fee for attending board / committee meetings	Dr. S. Sivaram	0.48
		Dr. Amrita Patel	0.33
		Mr. Nakul Toshniwal	0.32
		Mr. P. Krishnamurthy	0.10
	Commission		-
	Others, please specify		-
	Total (1)		**1.23**
2	Other Non-Executive Directors		
	Fee for attending board / committee meetings	Mr. Ashok Patel	0.32
		Mr. Khurshed Thanawalla	0.15
	Commission		-
	Others, please specify		-
	Total (2)		**0.47**
	Total (B)=(1+2)		**1.70**
	Total Managerial Remuneration		**32.88**
	Overall Ceiling as per the Companies Act, 2013	Non-Executive Directors were paid sitting fees for attending the meetings of the Board and Committees thereof during the financial year 2018-19, which were within the limits prescribed under the Companies Act, 2013.	

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

(₹ in millions)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Ashok Pillai, Chief Operating Officer	Mr. Jugal Sahu, Chief Financial Officer	Ms. Mittal Mehta, Company Secretary	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.06	6.07	1.66	14.79
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.04	0.04	–	0.08
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	–	–	–	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Performance Incentive	3.50	1.30	0.20	5.00
5	Others – Retirement benefits	0.61	0.52	0.17	1.30
	Total	**11.21**	**7.93**	**2.03**	**21.17**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
Din: 00009900

Tarak Patel
Managing Director
DIN: 00166183

Place: Mumbai
Date: May 30, 2019

Report on Corporate Governance

A report for the financial year ended March 31, 2019 on the compliance by the Company the Corporate Governance requirements under Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (" SEBI Listing Regulations"), is furnished below:

1. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE:

Corporate Governance primarily involves transparency, full disclosure, independent monitoring of the state of affairs and being fair to all stakeholders and is a combination of voluntary practices and compliance with laws and regulations.

The Company endeavors not only to meet the statutory requirements in this regard but also to go well beyond them by instituting such systems and procedures as are in accordance with the latest global trends of making management completely transparent and institutionally sound.

The Company has professionals on its Board of the Directors who are actively involved in the deliberations of the Board on all important policy matters. Your Directors view good Corporate Governance as the foundation for honesty and integrity and recognize these matters to maintain your trust.

It has been, and continues to be, the policy of your Company to comply with all laws governing its operations, to adhere to the highest standard of business ethics and to maintain a reputation for honest and fair dealings. Your Board of Directors recognizes its responsibility to oversee and monitor management and the Company's activities to reasonably assure that these objectives are achieved.

It is paramount that the Company's reputation for integrity and credibility remain at the highest standards for the benefits of all stakeholders, employees, customers and suppliers.

2. APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES:

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company.

The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The Board's actions and decisions are aligned with the Company's best interest. It is committed to the goal of sustainably elevating the Company's value created. The Board has established several Committees to discharge its responsibilities in an effective manner.

The Chairman of the Board is the leader of the Board. The Chairman is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. The Chairman guides the Board for effective governance structure in the Company.

The Managing Director provides overall direction for effective management of the Company. The Managing Director is responsible for corporate strategy, brand equity, planning, external contacts and all important management matters. In the operations and functioning of the Company, the Managing Director is assisted by a core group of senior level executives.

The Company Secretary assists the Chairman and Managing Director in management of the Board's administrative activities such as meetings, schedules, agendas, communication and documentation.

3. ETHICS / GOVERNANCE POLICIES:

At GMM Pfaudler, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Anti-Sexual Harassment Policy
- Anti-trust Policy
- Code of Conduct & Ethics Policy
- Code of Conduct for Prevention of Insider Trading
- Corporate Social Responsibility Policy
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Export Compliance Policy
- Familiarization Program for Independent Directors
- Nomination, Remuneration & Evaluation Policy
- Policy and Procedure for enquiry in case of Leak/ Suspected leak of Unpublished Price Sensitive Information
- Policy on Board Diversity

Report on Corporate Governance (Contd.)

- 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
- Risk Management Policy
- Whistle Blower Policy

4. SCHEDULING OF BOARD AND COMMITTEE MEETINGS:

Minimum four pre-scheduled Board meetings are held annually. Additionally Board meetings are convened to address the Company's specific needs. In case of business exigencies or urgency, resolutions are passed by circulation. The Managing Director and the Company Secretary, in consultation with other concerned members of the senior management, finalize the agenda for Board/ Committee meetings.

The agenda along with explanatory notes are circulated to Directors in advance. All Board and Committee meetings' agenda papers are disseminated electronically on a real-time basis, by uploading them on a secured online application specifically designed for this purpose, thereby eliminating circulation of printed papers.

5. RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS:

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board / Committee members for their comments as prescribed under Secretarial Standard-1. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

6. POST MEETING FOLLOW-UP MECHANISM:

The guidelines for Board / Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof.

Important decisions taken at Board / Committee meetings are communicated promptly to the concerned departments. Minutes of the previous meeting(s) is placed at the succeeding meeting of the Board / Committees for noting.

7. COMPLIANCE:

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 2013 read with rules issued thereunder, SEBI Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India.

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings.

8. BOARD OF DIRECTORS:

a) **Composition of the Board:** The Board comprises of 8 Directors, including 1 Executive and 7 Non-Executive, of which 3 are Independent Directors. The Chairman of the Board is a Non-Executive Director. As on March 31, 2019 and as on the date of this Report, the Board meets the requirement of having at least one woman Director and not less than 1/3rd of the Board strength comprising of Non-Executive Directors in compliance with Regulation 17(1) of the SEBI Listing Regulations and other applicable regulatory requirements.

b) **Number of Board meetings held and the dates of the Board Meetings:** Four Board Meetings were held during the year ended March 31, 2019 on May 16, 2018; August 9, 2018; October 25, 2018 and January 30, 2019. The time gap between any two meetings was not exceeding 120 days.

Report on Corporate Governance (Contd.)

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

Name of Director	Category of Directorship	Attendance at		Number of Equity shares held in the Company $	Number of Director-ships in other Companies**	Number of Committee positions held in other Companies^
		Board Meetings	Last Annual General Meeting			
Dr. S. Sivaram (Chairman)	Non-Executive, Independent Director	4	Yes	Nil	6	Nil
Dr. Amrita Patel	Non-Executive, Independent Director	3	Yes	375	Nil	Nil
Mr. Nakul Toshniwal (w.e.f. May 16, 2018)	Non-Executive, Independent Director	3	Yes	Nil	Nil	Nil
Mr. Khurshed Thanawalla #	Non-Executive Director	3	Yes	Nil	1	2
Mr. Thomas Kehl #	Non-Executive Director	3	Yes	Nil	Nil	Nil
Dr. Dominic Deller#	Non-Executive Director	4	Yes	Nil	Nil	Nil
Mr. Ashok Patel *	Non-Executive Director	3	No	283,980 @	2	Nil
Mr. Tarak Patel *	Executive Director	4	Yes	173,960	2	1

Representing Foreign Promoters viz. Pfaudler Inc.
* Indian Promoters
$ The Company has not issued any convertible instruments.
@ 277,235 Equity shares are in the name of Ashok Patel in representative capacity (Karta) of Ashok Patel HUF.
** Includes Directorships in Public Companies. Does not include Section 8 Companies, Private Companies and Foreign Companies.
^ Includes Membership in Audit Committee and Stakeholders Relationship Committee only in accordance with Regulation 26(1) of the SEBI Listing Regulations.

d) Names of the listed entities where the person is a director and the category of directorship:

Name of Director	Name of Listed Company	Type of Directorships
Dr. S. Sivaram	• Apcotex Industries Ltd. • Asian Paints Ltd. • Deepak Nitrite Ltd. • Supreme Petrochem Ltd.	Independent Director
Dr. Amrita Patel	Nil	Not Applicable
Mr. Nakul Toshniwal	Nil	Not Applicable
Mr. Khurshed Thanawalla	• Stovec Industries Ltd.	Independent Director
Mr. Thomas Kehl	Nil	Not Applicable
Dr. Dominic Deller	Nil	Not Applicable
Mr. Ashok Patel	• Skyline Millars Ltd.	Non-Executive Director
Mr. Tarak Patel	• Skyline Millars Ltd.	Non-Executive Director

Pursuant to the provisions of Section 165(1) the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors holds Directorships in more than 20 companies (Public or Private), 10 public companies, Membership of Board Committees (Audit & Stakeholders Relationship Committees) in excess of 10 and Chairmanship of Board Committee in excess of 5. None of the Directors serve as Independent Director in more than 7 listed companies. None of the Director who serves as Whole Time Director in any listed company serves as Independent Director in more than 3 listed companies.

Report on Corporate Governance (Contd.)

e) **Disclosure of relationships between directors inter-se:** Mr. Ashok Patel, Director is the father of Mr. Tarak Patel, Managing Director of the Company. None of the other Directors are related to each other.

f) **Resignation of Independent Director from the Board of the Company:**

During the year under review, Mr. P. Krishnamurthy, Independent Director resigned from the Board of the Company w.e.f. May 14, 2018 pursuant to proviso of sub-section (1) of Section 167 of the Companies Act, 2013 notified by the Ministry of Company Affairs vide notification dated May 7, 2018.

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 is as under:

Core Skills/Experience/Competence	Actual Availability with current board
Industry knowledge/experience	
(a) Healthcare Industry Knowhow	Available
(b) Global Operations	Available
(c) Value Spotting and Inorganic Growth	Available
(d) Previous Board Experience on similarly sized or bigger companies	Available
Technical skills/experience	
(a) Strategic planning	Available
(b) Risk and compliance oversight	Available
(c) Marketing	Available
(d) Policy Development	Available
(e) Accounting, Tax, Audit and Finance	Available
(f) Legal & Governance	Available
(g) Sales / Customer Engagement	Available
(h) Public Relations and Liasoning	Available
(i) Technology Strategy	Available
Behavioural Competencies	
(a) Integrity & ethical standards	Available
(b) Mentoring abilities	Available
(c) Interpersonal relations	Available

9. COMMITTEES:

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

Composition of Committees of the Company as on date

Audit Committee		
Dr. S. Sivaram	Chairman	Non-Executive - Independent Director
Dr. Amrita Patel	Member	Non-Executive - Independent Director
Mr. Nakul Toshniwal	Member	Non-Executive - Independent Director
Dr. Dominic Deller	Member	Non-Executive Director

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

Nomination & Remuneration Committee		
Dr. Amrita Patel	Chairperson	Non-Executive - Independent Director
Dr. S. Sivaram	Member	Non-Executive - Independent Director
Mr. Nakul Toshniwal	Member	Non-Executive - Independent Director
Mr. Ashok Patel	Member	Non-Executive Director
Mr. Thomas Kehl	Member	Non-Executive Director

Corporate Social Responsibility Committee		
Dr. Amrita Patel	Chairperson	Non-Executive - Independent Director
Mr. Nakul Toshniwal	Member	Non-Executive - Independent Director
Mr. Ashok Patel	Member	Non-Executive Director
Mr. Tarak Patel	Member	Managing Director

Ms. Mittal Mehta, Company Secretary & Compliance Officer is the Secretary of all the Committees.

10. MEETINGS OF COMMITTEES HELD DURING THE YEAR AND DIRECTORS' ATTENDANCE:

Committees of the Company	Audit Committee	Stakeholders Relationship Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee
Meetings held	**4**	**3**	**4**	**3**
Directors attendance				
Dr. S. Sivaram	4	2*	4	N.A.
Dr. Amrita Patel	3	N.A.	1*	2
Mr. Nakul Toshniwal	3*	N.A.	2*	2*
Mr. Tarak Patel	N.A.	3	N.A.	3
Mr. Ashok Patel	N.A.	N.A.	4	2
Mr. Thomas Kehl	N.A	N.A.	2	N.A.
Mr. Khurshed Thanawalla	N.A.	N.A.	N.A.	N.A.
Dr. Dominic Deller@	4	@	N.A.	N.A.

NA - Not a member of the Committee

* Appointed as a member of the Committee w.e.f May 16, 2018

@ Appointed as a member of the Committee w.e.f. October 25, 2018

Report on Corporate Governance (Contd.)

11. PROCEDURE AT COMMITTEE MEETINGS:

The Company's guidelines relating to Board meetings are applicable to Committee meetings. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the respective committee members and placed before Board meetings for noting.

12. TERMS OF REFERENCE AND OTHER DETAILS OF COMMITTEES:

A. Audit Committee:

The Committee's composition, terms of reference as well as powers are in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The composition of the Committee is given in Point No. 9 of this Report.

Members of the Audit Committee possess the requisite qualifications.

Meeting details:

The Audit Committee met four times during the year under review viz. May 16, 2018; August 9, 2018; October 25, 2018 and January 30, 2019. The minutes of the Audit Committee Meetings were taken on record at the Board Meetings.

Scope:

The Powers and Role of the Audit Committee is as follows:

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) Approval of the Company's policy on determining materiality of related party transactions and also on dealing with related party transactions;

5) 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 2013 Act;

   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) qualifications in the draft audit report;

6) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;

8) 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.

9) Approval or any subsequent modification of transactions of the Company with related parties in accordance with the Company's policy on related party transactions;

10) Scrutiny of inter-corporate loans and investments;

11) 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;

12) Evaluation of internal financial controls and risk management systems of the Company;

13) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems of the Company;

14) 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;

15) Discussion with internal auditors of any significant findings and follow up thereon. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor;

16) 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;

17) 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;

18) 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;

19) 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;

20) To review the functioning of the Whistle Blower Mechanism.

21) Provide guidance to the Compliance Officer for setting forth policies and implementation of the Code of Conduct for Prevention of Insider Trading and review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

22) 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;

23) To review the following information as prescribed under Regulation 18(3) of the SEBI 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.

24) 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;

Report on Corporate Governance (Contd.)

Provided that where the need for Related Party Transactions cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹1 crore per transaction.

d) Audit Committee shall review, atleast on a quarterly basis, the details of RPT's entered into by the Company pursuant to which the omnibus approval was given.

e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

25) To review financial statements of, and investments made by, unlisted subsidiaries of the Company in accordance with Regulation 24(2) of the Listing Regulations;

26) To formulate a policy for determining 'material subsidiaries' in accordance with Regulation 16 of the SEBI Listing Regulations;

27) To recommend the policy for preservation of documents in accordance with Regulation 9 of the SEBI Listing Regulations;

28) 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 SEBI Listing Regulations. The composition of the Committee is given in Point No. 9 of this Report.

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

Compliance Officer:

Ms. Mittal Mehta, Company Secretary is the Compliance Officer for complying with the requirements of Securities Laws.

Meeting Details:

The Stakeholders Relationship Committee met three times during the year under review i.e. April 20, 2018; August 9, 2018 and October 25, 2018. 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 2018-19, is given below:

Particulars	Number
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	-

C. Nomination and Remuneration Committee:

The Composition, Role, Terms of Reference as well as Powers of the Nomination and Remuneration Committee of the Company meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The composition of the Committee is given in Point No. 9 of this Report.

Meeting Details:

The Nomination and Remuneration Committee met four times during the year under review i.e. April 20, 2018; May 16, 2018; October 25, 2018 and January 30, 2019. The minutes of the Nomination and Remuneration Committee Meetings were noted at the Board Meetings.

Scope:

The scope of the Committee is as follows:

1. 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, and undertake evaluation of every director's performance;

2. 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.

3. To consider the following while approving the remuneration payable to a manager, managing director or a whole time director under Section II or Section III of Part II of Schedule V to the 2013 Act and section 197 of the 2013 Act:

   a) take into account, financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.;

   b) to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

4. 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;

5. To formulate the evaluation criteria for performance evaluation of independent directors and the Board;

6. 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;

7. To devise a policy on Board diversity;

8. To recommend to the Board, the plans for orderly succession for appointments to the Board and to senior management of the Company;

9. To consider any other matters as may be requested by the Board.

Remuneration of Managing Director:

Remuneration of the Managing Director is recommended by the Nomination and Remuneration Committee, fixed by the Board and approved by the shareholders. The remuneration paid to Mr. Tarak Patel for the year ended 31.03.2019 was as under:

(₹ in Million)

Sr. No.	Particulars	Amount
1.	Salary, perquisites and allowances	8.54
2.	Commission	22.64
	Total	**31.18**

Payment of Commission to the Managing Director is based on the performance criteria defined by the Committee and approved by the Board.

Non-Executive Director's Compensation:

The Company does not pay remuneration to any of the Non-Executive Directors of the Company except for the sitting fees for attending Meetings of the Board or Committees thereof which has been disclosed below. Apart from the said payment, there are no pecuniary relationship or transactions of the non-executive directors with the Company.

Details of Remuneration paid/ payable to Directors for the year ended March 31, 2019 are as follows:

(₹ in Million)

Director	Sitting Fees (₹)
Dr. S. Sivaram	0.48
Dr. Amrita Patel	0.33
Mr. Nakul Toshniwal	0.32
Mr. Khurshed Thanawalla	0.15
Mr. Thomas Kehl	Nil
Dr. Dominic Deller	Nil
Mr. Ashok Patel	0.32
Total	1.70

Non-Executive Directors on the Board of the Company were paid sitting fees for the financial year 2018-19 as under:

a) ₹ 50,000 as sitting fees for each meeting of the Board of Directors and

b) ₹ 25,000 as sitting fees for each meeting of the Committees of Directors.

Independent Directors are not paid any other remuneration/ fees apart from sitting fees paid during the year under review. The Company does not have any stock option scheme provided to Directors of the Company.

Report on Corporate Governance (Contd.)

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

D. Corporate Social Responsibility Committee:

The Board in compliance with the requirements of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 constituted a Corporate Social Responsibility Committee "CSR Committee".

The Composition, Role, Terms of Reference as well as Powers of the CSR Committee are in compliance with the provisions of the Companies Act, 2013. The composition of Committee is given in Point No. 9 of this Report.

Meeting Details:

The CSR Committee met on three occasions viz. April 20, 2018, August 9, 2018 and October 25, 2018. The minutes of the CSR Committee Meetings were noted at the Board Meeting.

Scope:

The Role of the Committee is as follows:

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 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.

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 16, 2018 to discuss:

a) Evaluation of the performance of non-independent directors and the Board of Directors as a whole;
b) Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Chairman.
c) Evaluation of the quality, content and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

14. INDUCTION AND FAMILIARIZATION PROGRAM FOR DIRECTORS:

On appointment, the concerned Director is issued a letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through an induction and familiarization program including the presentation and interactive session with the Managing Director & CEO and other functional heads on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director.

The details of the familiarization programmes imparted to the Independent Directors is available on the Company's website at http://www.gmmpfaudler.com/content/FamiliarizationProgramme2018_19.pdf

15. CODE OF CONDUCT:

The Company has in place a comprehensive Code of Conduct & Ethics Policy ("the Code") applicable to the Directors and all Employees. The Code is applicable to Non-Executive Directors including Independent Directors to such an extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the core values of the Company viz. Integrity, Customer Value, Cost Consciousness, Social Responsibility, Transparency, and Accountability.

A copy of the Code has been put up on the Company's website and can be accessed at http://www.gmmpfaudler.com/content/GMMCOC.pdf. The Code has been circulated to Directors and employees, and its compliance is affirmed by them annually.

A declaration signed by the Company's Managing Director is published in this Report.

16. GENERAL BODY MEETINGS:

The details of Annual General Meetings ("AGM") of Company held during preceding years are as follows:

Year	AGM	Date of Meeting	Time of Meeting	Venue	No. of Special Resolutions passed
2015-16	53rd	September 23, 2016	12 noon	Sardar Vallabhbhai Patel and Veer Vithalbhai Patel Memorial, Anand - Sojitra Road, Karamsad - 388 325 Gujarat	1
2016-17	54th	September 27, 2017	12 noon		2
2017-18	55th	August 9, 2018	12 noon		2

All resolutions, including the special resolutions at the Annual General Meeting held on September 23, 2016, September 27, 2017 and August 9, 2018 was passed by way of polling.

Details of Special Resolutions passed at each of the AGM:

- 2015-16 for Reappointment of Statutory Auditors
- 2016-17 for Reappointment of Statutory Auditors and Amendment in Articles of Association.
- 2017-18 for Remuneration to Managing Director and Reclassification of Promoters.

During the year under review, Postal Ballot Notice containing the Special Resolutions together with the Explanatory Statement was sent to all the shareholders on Monday, February 25, 2019 and the last date for receipt of duly completed postal ballot forms from the shareholders was on or before 5.00 P.M. of Wednesday, March 27, 2019. Scrutinizer submitted his report dated March 29, 2019 and on the basis of the report of the Scrutinizer on voting done through postal ballot forms as well as through e-voting by the members, the following resolutions as set out in the Postal ballot notice dated February 15, 2019 were duly passed by the Shareholders of the Company with requisite majority:

Postal Ballot Process to be given.

Mr. Tarak Patel, Managing Director and Ms. Mittal Mehta, Company Secretary were severally responsible for the entire process of the said Postal Ballot Process.

Resolution No. 1 as a Special Resolution for continuation of directorship and re-appointment of Dr. Amrita Patel (DIN 00065052), Non-Executive & Independent Director, who has attained the age above 75 years to hold office for a second term of 1 (one) year from April 1, 2019 upto March 31, 2020;

Resolution No. 2 as a Special Resolution for continuation of directorship of Mr. Ashok Patel (DIN 00165858), Non-Executive Director, who will be attaining the age of 75 years on September 6, 2019;

Resolution No. 3 as a Special Resolution for continuation of directorship of Mr. Khurshed Thanawalla (DIN 00201749), Non- Executive Director, who has attained the age of 75 years, after April 1, 2019.

No Extraordinary General Meeting of Company was held during the financial year 2018-19. No Special Resolution is proposed to be conducted through Postal Ballot.

17. MEANS OF COMMUNICATION:

a) **Quarterly Results:** The Company's quarterly / half-yearly / annual financial results are sent to the Stock Exchanges where the shares are listed and published in the 'Economics Times' (Mumbai and Ahmedabad) and 'Naya Padkar' (Anand). Simultaneously, they are also displayed on the Company's website at http://www.gmmpfaudler.com/investor-relations-financials.php.

Report on Corporate Governance (Contd.)

b) **News Releases, Presentations, etc.:** Official news releases and presentations made to institutional investor, financial analysts, etc. are displayed on the Company's website at http://www.gmmpfaudler.com/investor-relations-investor-presentation.php as well as sent to the Stock Exchanges. No unpublished price sensitive information is discussed in meeting/ presentation with institutional investors and financial analysts.

c) **Website:** The Company's website www.gmmpfaudler.com contains a separate dedicated section 'Investor Relations' where Shareholders information is available.

d) **Annual Report:** The Annual Report containing, inter alia, Audited Financial Statements, Audited Consolidated Financial Statements, Board's Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report. The Company's Annual Report is available in downloaded form on the Company's website and can be accessed on the Company's website and can be accessed at http://www.gmmpfaudler.com/investor-relations-annual-reports.php

e) **Reminder to Investors:** Reminder for unclaimed shares and unpaid dividend are sent to the shareholders as per records one month in advance of the due date.

f) **BSE Corporate Compliance & Listing Centre ("Listing Centre"):** BSE's Listing Centre is a web-based application designed by BSE for corporates. All periodic compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on the Listing Centre.

g) **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for corporates. All periodic compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on NEAPS.

h) **SEBI Complaints Redress Systems (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of the system are: centralized database of all complaints, online upload of Action Taken Report (ATR's) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

i) **Designated Exclusive email ID**: The Company has designated the following email ID exclusively for investor services: investorservices@gmmpfaudler.com

18. OTHER DISCLOSURES:

i) **Whistle Blower Policy:**

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

The Whistle Blower Policy is placed on the website of the Company and web-link to the same is as under:

http://www.gmmpfaudler.com/content/WhistleBlowerPolicy.pdf

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

ii) **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

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

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year the Company has not received any complaint.

iii) **Compliance:**

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

The Company applied for consent jointly with Pfaudler Inc. and settlement fees of ₹ 6,97,661/- (Rupees Six Lakh Ninety Seven Thousand and Six Hundred and Sixty One Only) was agreed by SEBI and the same was paid vide letter dated March 15, 2019. SEBI issued an order dated March 20, 2019 disposing the aforesaid adjudication proceedings initiated against GMM Pfaudler Limited and Pfaudler Inc. respectively and case is closed.

Other than the above, there was no non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last year.

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

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

  d. Separate posts of Chairman & CEO: Complied

  e. Reporting of Internal Auditors directly to Audit Committee: Complied

v) **Disclosure of commodity price risks and commodity hedging activities:**

The details are provided at point no. (i) of Management Discussion & Analysis of this report.

vi) **Related Party Transactions:**

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

The Board has approved a policy for related party transactions which has been uploaded on the Company's website. The web-link as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

http://www.gmmpfaudler.com/content/PolicyonRelatedPartyTransactions.pdf

vii) **Certificate from Practising Company Secretaries:**

The Company has received a certificate from M/s. Rathi & Associates, Practising 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.

ix) **Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

Not Applicable

x) **Instances of not accepting any recommendation of the Committee by the Board:**

There is no such instance where Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year.

xi) **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. 32 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.

xii) **Disclosure of the compliance with corporate governance requirements specified in regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements), 2015:**

Regulation No.	Particulars	Compliance Status (Yes or No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	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 requirements	Yes
46(2)(b) to (i)	Website	Yes

* Risk Management Committee has been constituted voluntarily.

Report on Corporate Governance (Contd.)

xiii) Disclosures with respect to demat suspense account / unclaimed suspense account:

Not Applicable

xiv) 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, Mr. Nakul Toshniwal, Dr. S. Sivaram and Dr. Amrita Patel are the Independent Directors on the Board. Based on the declarations given by the Independence Director, the Board is of the opinion that the Independent Directors meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and amendments effective from April 1, 2019.

xv) Policy for Determining Material Subsidiaries:

The policy for determining material subsidiaries is available on the Company's website at http://www.gmmpfaudler.com/content/PolicyfordeterminingMaterialSubisidiaries.pdf

xvi) Prevention of Insider Trading

The Company has amended the code of Internal Procedures and Conduct for regulating, monitoring and reporting trading by designated persons in accordance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 w.e.f. April 1, 2019 and is available at http://www.gmmpfaudler.com/content/CodeofConductforPreventionofInsiderTrading.pdf. The Code of fair disclosure of unpublished price sensitive information is available at http://www.gmmpfaudler.com/contentCodeofpracticesandProceduresforFairDisclosureofUPSI.pdf.

19. GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting:

56th Annual General Meeting of the Company will be held on 14th August, 2019 at 12.00 noon at the Sardar Vallabhai Patel and Veer Vithalbhai Patel Memorial, Karamsad, Gujarat 388 325.

b) Financial year of the Company : April 2018 to March 2019

c) Financial Calendar (Tentative):

Financial reporting for April 2019 to March 2020:

- Quarter ended June 30, 2019	:	2nd week of August, 2019
- Quarter ended September 30, 2019	:	4th week of October, 2019
- Quarter ended December 31, 2019	:	1st week of February, 2020
- Quarter ended March 31, 2020	:	3rd week of May, 2020
- Annual General Meeting for the year ended March 31, 2020	:	2nd week of August, 2020

d) Date of Book Closure: Thursday, August 8, 2019 to Wednesday, August 14, 2019 (Both days inclusive)

e) Dividend Payment Date: On or before September 5, 2019

f) Listing of Stock Exchange: Share of the Company are listed on:

- BSE Limited, Phiroze Jeejeebhoy Towers, 1st Floor, Dalal Street, Mumbai 400001.
- National Stock Exchange of India Limited ("NSE"), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra, Mumbai 400 051.

The Company confirms that the annual listing fees to BSE Limited and NSE Limited for the financial year 2019-20 have been paid.

g) BSE Stock Code: 505255 / NSE Symbol - GMMPFAUDLR

h) Dematerialization: ISIN Number INE541A01023

i) Registrar & Transfer Agents:

Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083. Phone 4918 6270, Fax 4918 6060 Contact Person: Ms. Riddhi Shah Email: rnt.helpdesk@linkintime.co.in

j) Share Transfer System:

Share transfers are processed and share certificates duly endorsed are delivered within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission and related requests of the Company's shares to the Managing Director and the Company Secretary.

Report on Corporate Governance (Contd.)

k) Shareholding Pattern as on March 31, 2019:

Category	No. of shares	Percent
Foreign Promoters - Pfaudler Inc.	7,372,475	50.44
Indian Promoters Group	3,590,650	24.56
NRI/OCB	726,853	4.97
Financial Institution, Nationalized Bank, Insurance Companies, Mutual Funds, Foreign Portfolio Investments	203,218	1.39
Domestic Companies, Clearing Members, Trusts, NBFC's	34,606	0.24
IEPF	47,421	0.32
Individuals	2,642,277	18.08
Total	**14,617,500**	**100.00**

l) Distribution of Shareholding as on March 31, 2019:

Sr. No.	Slab of shareholding		Shareholders		Shares	
	No. of Equity shares held		Nos.	%	Share Amt	%
	From	To				
1.	1	1000	9321	90.62	1,654,984	5.66
2.	1000	2000	499	4.85	782,204	2.68
3.	2001	4000	249	2.42	740,540	2.53
4.	4001	6000	83	0.81	422,062	1.44
5.	6001	8000	34	0.33	243,116	0.83
6.	8001	10000	23	0.22	207,186	0.71
7.	10001	20000	36	0.35	485,302	1.66
8.	20001	Above	41	0.40	24,699,606	84.49
Total			**10,286**	**100.00**	**29,235,000**	**100.00**

m) Stock Market Price for the year:

BSE Limited

Month	Market Price (₹)		BSE – Sensex	
	High	Low	High	Low
April, 2018	795.00	693.05	35,213.30	32,972.56
May, 2018	943.90	765.00	35,993.53	34,302.89
June, 2018	894.95	754.00	35,877.41	34,784.68
July, 2018	935.00	780.00	37,644.59	35,106.57
August, 2018	1,200.20	896.05	38,989.65	37,128.99
September, 2018	1,170.00	940.30	38,934.35	35,985.63
October, 2018	1,065.00	877.10	36,616.64	33,291.58
November, 2018	1,142.00	1,002.10	36,389.22	34,303.38
December, 2018	1,289.00	1,023.00	36,554.99	34,426.29
January, 2019	1,254.00	994.95	36,701.03	35,375.51
February, 2019	1,151.70	1,021.15	37,172.18	35,287.16
March, 2019	1,325.00	1,140.10	38,748.54	35,926.94

Report on Corporate Governance (Contd.)

NSE Limited

Month	Market Price (₹)		NSE – Nifty	
	High	Low	High	Low
April, 2018	795.85	700.00	10,759.00	10,111.30
May, 2018	939.95	767.05	10,929.20	10,417.80
June, 2018	890.20	753.00	10,893.25	10,550.90
July, 2018	945.00	775.00	11,366.00	10,604.70
August, 2018	1,198.00	903.00	11,760.20	11,235.00
September, 2018	1,170.00	945.45	11,751.80	10,850.30
October, 2018	1,047.00	875.00	11,035.65	10,004.55
November, 2018	1,148.00	1,011.00	10,922.45	10,341.90
December, 2018	1,294.00	1,060.05	10,985.15	10,333.85
January, 2019	1,217.00	1,010.00	10,987.45	10,583.65
February, 2019	1,150.95	1,020.00	11,118.10	10,585.65
March, 2019	1,321.00	1,119.95	11,630.35	10,823.10

n) Dematerialization:

As on March 31, 2019, 98.04% of the Company's total shares representing 14,331,215 shares are held in dematerialized form and the balance 286,285 representing 1.96% shares are in Physical Form.

o) Outstanding GDRs / ADRs /Warrants or any convertible instruments:

There has been no issue of GDR/ADRS warrants or any convertible instruments hence no question of outstanding of any such instruments.

p) Plant Location:

Manufacturing Plants of the Company as on the date of this report are situated at

- Vithal Udyognagar, Anand – Sojitra Road, Karamsad, 388 325, Gujarat and
- Gat no 1559, Patil Nagar, Shelar Wasti, Chikali, Pune - 411062 Maharashtra.

q) Shareholders & Investors Correspondence:

Shareholders should address their correspondence to the Company's Registrar and Transfer Agent:

Link Intime India Private Limited,

C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083

Phone 022-4918 6270, Fax 022- 4918 6060.

Contact Person: Ms. Riddhi Shah Email: gmminvestors@linkintime.co.in

20. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Company's Auditors Deloitte Haskins & Sells LLP, confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the 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 for Directors and Senior Management Executives of GMM Pfaudler Limited as applicable to them for the year ended March 31, 2019.

For GMM Pfaudler Limited

Tarak Patel
Managing Director
DIN: 00166183

Place: Mumbai
Date : May 30, 2019

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

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

a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2019 and that to the best of their knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) We are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee, the following:

   i. significant changes in internal control over financial reporting during the year, if any;

   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For GMM Pfaudler Limited

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer

Place: Mumbai
Date : May 30, 2019

The Members,

GMM PFAUDLER LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This Certificate is issued in accordance with the terms of our engagement letter dated August 17, 2018.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of GMM Pfaudler Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, 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, 2019.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Mumbai
Date : May 30, 2019

Independent Auditor's Report

To The Members of GMM Pfaudler Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of GMM Pfaudler Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of the Cash Flow Statement 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 31st March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue Recognition on long-term contracts (percentage of completion accounting)

Key Audit Matter Description

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

This area is considered as key audit matter due to the size of revenue generated from long-term customer specific contracts. Furthermore, accounting for the contracts involves both judgement, in assessing whether the criteria set out in the accounting standards have been met, and estimates, related to future costs, the final outcome of the contract and the stage of completion.

How the Key Audit Matter was addressed in the Audit

As part of our audit we obtained an understanding of the methodology applied, the internal processes and the controls used to determine the percentage of completion. We evaluated the processes and technical systems used to record actual costs incurred, tested the manual controls and automated controls implemented in the systems.

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

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

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

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

On the basis of the audit procedure above, we have gained sufficient evidence to address the risk of material misstatements in revenue recognition on long-term contracts (POC).

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

Independent Auditor's Report (Contd.)

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

Independent Auditor's Report (Contd.)

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 Cash Flow Statement 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/ W 100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Mumbai
Date: May 30, 2019

Annexure "A"

To The Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GMM Pfaudler Limited ("the Company") as of March 31, 2019 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, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/ W 100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Mumbai
Date: May 30, 2019

Annexure "B"

To The Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. The physical verification of inventories lying with third parties or goods-in-transit is performed by performing alternate procedures such as obtaining confirmations.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods & Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods & Service Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ In millions)	Amount Unpaid (₹ In millions)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal, Ahmedabad	AY 2005-06, 2010-11, 2011-12, 2012-13	38.77	38.77
Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	AY 2006-07, 2010-11, 2013-14, 2014-15, 2016-17	16.65	16.65
Income Tax Act, 1961	Income Tax	The Assessing Officer (AO)	AY 2007-08, AY 2008-09	10.83	10.83
Central Sales Tax Act, 1956	Sales Tax	Central Excise & Service Tax Tribunal	FY 2006-07, 2007-08, 2008-09	3.85	2.37
Central Excise Act, 1944	Excise Duty	The Commissioner (Appeals)	Various years from FY 2003-04 to FY 2010-11	2.38	1.98
Finance Act, 1994	Service Tax	Central Excise & Service Tax Tribunal	Various years from FY 2013-14 and FY 2017-18	14.94	11.49
Finance Act, 1994	Service Tax	The Commissioner (Appeals)	Various years from FY 2011-12 to FY 2017-18	2.19	1.14

According to the information and explanations given to us, there are no dues of Customs Duty that have not been deposited as on March 31, 2019 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debentures and has not taken any loans from the financial institutions and government.

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

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion, according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/ W 100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Mumbai
Date: May 30, 2019

Standalone Balance Sheet

as at March 31, 2019

₹ in Million

Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipment	6	575.37	553.01
(b) Capital work-in-progress		49.54	27.60
(c) Other Intangible Assets	7	51.76	12.16
(d) Intangible assets under development		0.40	40.22
(e) Financial Assets			
(i) Investments	8	218.61	228.75
(ii) Others	10	19.87	8.47
(f) Other non-current assets	11	35.71	5.41
Sub-total		**951.26**	**875.62**
(2) Current Assets			
(a) Inventories	12	1,030.46	787.90
(b) Financial Assets			
(i) Investments	8	471.98	496.92
(ii) Trade Receivables	13	488.67	419.65
(iii) Cash & Cash Equivalents	14	284.81	110.44
(iv) Bank balances other than (iii) above	14	3.83	2.23
(v) Loans	9	0.66	2.73
(vi) Others	10	160.61	103.81
(c) Other current assets	11	58.51	64.50
Sub-total		**2,499.53**	**1,988.18**
Total Assets		**3,450.79**	**2,863.80**
EQUITY & LIABILITIES			
Equity			
(a) Equity Share Capital	15	29.23	29.23
(b) Other Equity	16	2,147.93	1,828.82
Sub-total		**2,177.16**	**1,858.05**
LIABILITIES			
(1) Non-current liabilities			
(a) Deferred tax liabilities (Net)	17	53.40	49.29
Sub-total		**53.40**	**49.29**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Trade payables due to			
- Micro & Small Enterprise	18	33.57	18.81
- Other than Micro & Small Enterprise	18	500.27	471.22
(ii) Others	19	93.59	95.64
(b) Provisions	20	23.49	22.69
(c) Current Tax Liabilities (Net)	21	23.02	10.78
(d) Other current liabilities	22	546.29	337.32
Sub-total		**1,220.23**	**956.46**
Total Equity & Liabilities		**3,450.79**	**2,863.80**
Summary of Significant Accounting Policies	4		

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

As per our report of even date.

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

Kartikeya Raval
Partner
Membership No. 106189
Mumbai, May 30, 2019

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 30, 2019

Mittal Mehta
Company Secretary
FCS 7848

Standalone Statement of Profit and Loss

for the year ended March 31, 2019

₹ in Million

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Income:			
Revenue from Operations	23	4,187.02	3,176.73
Other Income	24	72.35	70.39
Total Income		**4,259.37**	**3,247.11**
Expenses:			
Cost of materials consumed	25	2,120.37	1,481.89
Changes in inventories of finished goods and work in progress	26	(92.37)	(168.80)
Excise Duty on sale of goods		-	52.63
Employee benefits expense	27	422.14	364.73
Finance Cost	28	11.68	10.31
Depreciation and amortisation expense	6&7	103.65	83.06
Labour Charges		300.94	318.51
Other Expenses	29	780.23	665.84
Total Expense		**3,646.64**	**2,808.17**
Profit before tax		**612.73**	**438.95**
Tax expenses:			
Current tax		202.27	134.22
Deferred tax		4.11	20.98
		206.38	**155.20**
Profit for the year		**406.35**	**283.75**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Actuarial Gain / (loss) on Gratuity and Pension Obligations		(0.90)	(3.35)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Other Comprehensive Income (i-ii)		**(0.90)**	**(3.35)**
Total Comprehensive Income for the year		**405.45**	**280.40**
Earnings Per Equity Share:			
Basic		27.80	19.41
Diluted		27.80	19.41

Significant Accounting Policies 4

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

As per our report of even date.

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

Kartikeya Raval
Partner
Membership No. 106189
Mumbai, May 30, 2019

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 30, 2019

Mittal Mehta
Company Secretary
FCS 7848

Standalone Statement of Cash Flow

for the year ended March 31, 2019

₹ in Million

		Year ended March 31, 2019	Year ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**612.73**	**438.95**
Adjustments for			
Depreciation and amortisation		103.65	83.06
Net (gain) / loss on sale & discarding of fixed assets		(3.83)	(2.23)
Net (gain) / loss on sale of Current Investments		(10.06)	(3.35)
Net (gain) / loss on sale of Non-Current Investments		(2.97)	0.02
Net (gain) / loss on Current Investments designated as Fair Value Through Profit or Loss		(14.91)	(25.34)
Net (gain) / loss on Non Current Investments designated as Fair Value Through Profit or Loss		2.12	0.20
Interest income		(2.79)	(1.94)
Interest and financial charges		11.68	10.31
Dividend Income		(0.10)	-
Provision for doubtful debts, liquidated damages and advances		12.69	(3.61)
Provision for warranty		2.31	0.82
Unrealised foreign exchange fluctuation loss/(gain)		1.26	1.40
Actuarial (Gain) / loss on Gratuity reclassified in OCI		(0.90)	(3.35)
Operating profit before working capital changes		**710.88**	**494.94**
Adjustments for :			
(Increase)/ Decrease in Inventories		(242.56)	(193.37)
(Increase)/ Decrease in Trade receivable, loans and other financial & Non financial assets		(168.18)	80.78
Increase/ (Decrease) in Trade payables, provisions and other financial & Non financial liabilities		247.94	139.20
Cash generated from operations		548.08	521.55
Direct Taxes paid		(190.00)	(128.76)
Net cash from operating activities	A	**358.08**	**392.79**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment, including intangible assets		(152.47)	(219.07)
Proceeds from sale of Property, Plant and Equipment		8.58	4.88
Purchase of current investments		(133.01)	(58.03)
Proceeds from sale of current investments		182.91	40.45
Proceeds from sale of non-current investments		10.99	-
Fixed deposits placed with banks (net)		(5.34)	-
Interest received		2.79	1.94
Dividend received		0.10	-
Net cash used in investing activities	B	**(85.45)**	**(229.83)**

Standalone Statement of Cash Flow for the year ended March 31, 2019 (Contd.)

₹ in Million

		Year ended March 31, 2019	Year ended March 31, 2018
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from short term borrowing		-	45.12
Repayment of short term borrowing		-	(45.12)
Interest paid		(11.68)	(10.31)
Dividend paid		(71.86)	(58.53)
Tax on distributed profits		(14.72)	(11.91)
Net cash used in financing activities	C	**(98.26)**	**(80.75)**
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	A+B+C	**174.37**	**82.21**
Cash and Cash equivalents at the beginning of the year		110.44	28.23
Cash and Cash equivalents at the end of the year		**284.81**	**110.44**
COMPONENTS OF CASH AND BANK BALANCES EQUIVALENTS			
Cash and Cash Equivalent			
Balances with banks			
- In current accounts		109.46	20.07
- In deposit accounts (Less than three months maturity)		175.00	90.17
Cash on hand		0.35	0.20
Total		**284.81**	**110.44**
Other Bank Balances			
- In unpaid dividend accounts		2.46	2.23
- Margin money deposits (lodged against bank guarantee and letter of credit)		1.37	-
Cash and Bank Balances at the end of the year		288.64	112.67

The company has been sanctioned credit facilities for working capital of ₹ 200 million, of which facilities utilised as on March 31, 2019 were ₹ Nil.

The Statement of Cash Flow has been prepared under the "Indirect Method" set out in IND AS 7 statement of Cash Flow.

As per our report of even date.

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

Kartikeya Raval
Partner
Membership No. 106189
Mumbai, May 30, 2019

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 30, 2019

Mittal Mehta
Company Secretary
FCS 7848

Standalone Statement of changes in equity

for the year ended March 31, 2019

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

(II) Other Equity :

₹ in Million

	Capital Reserve	Securities Premium	General Reserve	Cash Subsidy Reserve	Retained Earnings	Total
Balance at April 1, 2017	**0.02**	**149.28**	**211.27**	**0.69**	**1,257.54**	**1,618.80**
Profit for the year	-	-	-	-	283.75	283.75
Other comprehensive income for the year, net of income tax	-	-	-	-	(3.35)	(3.35)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**280.40**	**280.40**
Payment of dividends	-	-	-	-	(58.47)	(58.47)
Taxes on dividend	-	-	-	-	(11.91)	(11.91)
Balance at March 31, 2018	**0.02**	**149.28**	**211.27**	**0.69**	**1,467.56**	**1,828.82**
Balance at April 1, 2018	**0.02**	**149.28**	**211.27**	**0.69**	**1,467.56**	**1,828.82**
Profit for the year	-	-	-	-	406.35	406.35
Other comprehensive income for the year, net of income tax	-	-	-	-	(0.90)	(0.90)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**405.45**	**405.45**
Payment of dividends	-	-	-	-	(71.63)	(71.63)
Taxes on dividend	-	-	-	-	(14.72)	(14.72)
Balance at March 31, 2019	**0.02**	**149.28**	**211.27**	**0.69**	**1,786.67**	**2,147.93**

ii) A description of the purposes of each reserve within equity is disclosed in the Notes
The accompanying notes are an integral part of these financial statements.

As per our report of even date.

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

Kartikeya Raval
Partner
Membership No. 106189
Mumbai, May 30, 2019

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 30, 2019

Mittal Mehta
Company Secretary
FCS 7848

Notes

to Standalone Financial Statements for the year ended March 31, 2019

1 CORPORATE INFORMATION

GMM Pfaudler Limited, formerly Gujarat Machinery Manufacturers Limited, ("the Company") was incorporated in India on November 17, 1962. The Company's manufacturing unit is located at Karamsad, Gujarat. The Company's principal activity is the manufacture of corrosion resistant glass-lined equipment used primarily in the chemical, pharmaceutical and allied industries. The Company also manufactures flouro-polymer products and other chemical process equipment such as agitated nutsche filters, filter driers, wiped film evaporators and mixing systems.

2 STATEMENT OF COMPLIANCE

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with companies (Indian Accounting standard) Rules, as amended and other relevant provisions of the Act.

3 BASIS OF PREPERATION OF FINANCIAL STATEMENTS

a) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. (Refer Note no. 4.g1).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

b) Functional and Presentation Currency

The financial statements are presented in Indian Rupees, the currency of the primary economic environment in which the Company operates. All the amounts are stated in rupee millions.

4 SIGNIFICANT ACCOUNTING POLICIES

a) Use of Estimates:

The preparation of financial statements are in conformity with the recognition and measurement principles of Ind AS which requires management to make critical judgments, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure. Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

1. Useful lives of property, plant and equipment (refer note no. 4.c)
2. Impairment of property, plant and equipment as well as intangible assets (refer note no. 4.d)
3. Impairment of investments in subsidiaries (refer note no. 4.g1)
4. Provision for old and obsolete inventory (refer note no. 4.f)
5. Provision for Warranty Expense (refer note no. 4.i)
6. Employee benefits (refer note no. 4.j)
7. Expense Provisions & contingent liabilities (refer note no. 4.m)
8. Provision for Doubtful Trade Receivables (refer note no. 4.g7)
9. Valuation of deferred tax assets (refer note no. 4.n)

b) Property, Plant and Equipment and Intangible Assets

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

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) 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

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

d) 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.

e) 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.

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

f) Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined on the weighted average method and is net of tax credits and after providing for obsolescence and other losses. Cost includes all charges in bringing the goods to their existing location and conditions, including various tax levies (other than those subsequently recoverable from the tax authorities), transit insurance and receiving charges. Cost of work-in-progress and finished goods include cost of direct materials consumed, labour cost and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realizable value is the contracted selling value less the estimated costs of completion and the estimated costs necessary to make the sales.

g) Financial Instruments

g1) Investments

Investments in mutual funds are primarily held for the Company's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

The Company measures investment in subsidiaries at cost less provision for impairment, if any.

The Company has not made any irrevocable election to present subsequent changes in the fair value of equity investments, not held for trading, in other comprehensive income as the same are classified as fair value through profit or loss.

g2) 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.

g3) 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.

g4) 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.

g5) 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.

g6) 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.

g7) Impairment of financial assets

At each balance sheet date, the Company assesses whether a financial asset is to be impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Company measures the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to 12-month expected credit losses. The Company uses both forward-looking and historical information to determine whether a significant increase in credit risk has occurred.

h) Revenue Recognition

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers", using the Full retrospective transition method, applied to contracts that were not completed as of April 1, 2018.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the

asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, acceptance of delivery by the customer, etc.

In respect of fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. The said measurement is carried considering the surveys of performance completed to date and appraisals of results achieved.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and Performance penalty, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Unbilled Revenues are recognised when there is excess of revenue earned over billings on contracts.

Other Income:

Dividend income is recognized when the right to receive the same is established.

Interest income is recognized on accrual basis..

i) 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.

j) Employee Benefits

Employee benefits include provident fund, superannuation fund, family pension fund, gratuity fund and compensated absences.

Defined contribution plans:

The Company's contribution to provident fund, family pension fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit & loss. Past service cost is recognised in statement of profit & loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in statement of profit & loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the standalone balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits: A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, sick leave and other short term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of long-term employee benefits in form of compensated absences are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

k) Operating Expenses

Operating Expenses are charged to statement of Profit and Loss on accrual basis.

l) Leases

Lease arrangements where the risks & rewards incident to ownership of an asset substantially vest

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

with the lessor, are recognized as operating leases. Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

m) 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.

n) Taxation:

Tax expense comprise of current and deferred tax. Current income tax comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in jurisdictions where such operations are domiciled.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred tax are recognised in statement of profit & loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the Company intends to settle the asset and liability on a net basis. The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

o) Segment Reporting:

The Company identifies segments as operating segments whose operating results are regularly reviewed by the Chief Operating Decision Maker [CODM] to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment assets include all operating assets used by the business segments and consist principally of property plant and equipment, intangible assets, debtors and inventories. Segment liabilities include the operating liabilities that result from operating activities of the business segment. Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business

segments are reflected as unallocated corporate income / expenses.

p) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

q) Operating Cycle:

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of product and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

r) Research and development expenses:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipments.

s) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

t) New and amended standards adopted by the Company:

The Company has applied the following standards and amendments for the first time for annual reporting period commencing from April 01, 2018.

Ind AS 115 - Revenue from Contracts with Customers:

The core principle of the standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied only to contracts that are not completed as at the date of initial application and the comparatives are not restated. The adoption of the standard does not have any material impact to the financial statements of the Company.

Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates:

The Appendix B to Ind AS 21 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

- The beginning of the reporting period in which the entity first applies the Appendix, or
- The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The interpretation does not have any impact on the Company's financial statements.

Amendment to Ind AS 12, Income Taxes

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

Ind AS 112, Disclosure of Interest in Other Entities

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

5 CHANGES IN ACCOUNTING STANDARDS AND OTHER RECENT ACCOUNTING PRONOUNCEMENTS

Ind AS 116, Leases: The Ministry of Corporate Affairs has notified the Ind AS 116, Leases which will be effective from April 1, 2019. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Company is currently evaluating the requirements of Ind AS 116 on the financial statements.

The Company believes that the definition of lease under Ind AS 116 would not significantly change the scope of contracts that meet the definition of a lease.

Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

6 PROPERTY, PLANT & EQUIPMENT

₹ in Million

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

₹ in Million

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As on April 1, 2017	Additions	Dedu-ctions	As on March 31, 2018	Upto April 1, 2017	For the Year	On Dedu-ctions	Upto March 31, 2018	As on March 31, 2018
Freehold Land	2.32	-	-	2.32	-	-	-	-	2.32
Leasehold Improvement	18.02	1.88	-	19.90	1.37	1.41	-	2.78	17.12
Buildings	206.96	13.04	-	220.00	6.71	7.88	-	14.59	205.41
Plant & machineries	236.09	114.23	0.92	349.40	41.46	47.50	0.90	88.06	261.34
Office Equipment	20.76	9.38	0.23	29.91	5.20	6.96	0.19	11.97	17.94
Furniture & Fixtures	10.48	1.12	-	11.60	2.15	2.36	-	4.51	7.09
Vehicles	32.16	29.51	5.40	56.27	7.92	9.39	2.83	14.48	41.79
Total	**526.79**	**169.16**	**6.55**	**689.40**	**64.81**	**75.50**	**3.92**	**136.39**	**553.01**

7 INTANGIBLE ASSETS

₹ in Million

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

₹ in Million

CLASS OF ASSETS	GROSS BLOCK				AMORTISATION				NET BLOCK
	As on April 1, 2017	Additions	Dedu-ctions	As on March 31, 2018	Upto April 1, 2017	For the Year	On Dedu-ctions	Upto March 31, 2018	As on March 31, 2018
Computer Software	25.61	1.99	-	27.60	7.88	7.56	-	15.44	12.16
Technical Knowhow	1.03	-	-	1.03	1.03	-	-	1.03	-
Total	**26.64**	**1.99**	**-**	**28.63**	**8.91**	7.56	**-**	**16.47**	**12.16**

Notes:

There are no adjustment to Property, Plant & Equipment and Intangible assets on account of borrowing cost and exchange differences during the year.

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

Depreciation and amortisation expense

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of Property, plant and equipment	89.45	75.50
Amortisation of intangible assets	14.20	7.56
Total depreciation and amortisation expense	**103.65**	**83.06**

8 INVESTMENTS

(i) Non Current

₹ in Million

	Face value	Qty As at March 31, 2019	Amount As at March 31, 2019	Qty As at March 31, 2018	Amount As at March 31, 2018
Equity Shares (unquoted)					
Subsidiary Companies (at cost)					
GMM Mavag AG (Face Value CHF 1,000)	1000	5,000	213.90	5,000	213.90
Karamsad Investment Ltd.*	10	-	-	260,000	2.60
Karamsad Holding Ltd.*	10	-	-	350,000	3.50
			213.90		**220.00**
Shares in Co-operative Societies (unquoted) (at fair value)					
Charotar Gas Sahakari Mandali Ltd.	500	10	0.01	10	0.01
			0.01		**0.01**
Other Investments (at fair value)					
Equity Shares (quoted)					
GHCL	10	-	-	100	0.03
Skyline Millars Ltd.	1	-	-	1,406,000	3.94
			-		3.97
Government Securities (quoted) (at fair value)					
Indian Railway Finanace Corp. Bonds	1000	4,350	4.70	4,350	4.77
Total Investments			**218.61**		**228.75**
Aggregate of quoted investments			4.70		8.74
Aggregate of unquoted investments			213.91		220.01

* Karamsad Holdings Limited (KHL) and Karamsad Investments Limited (KIL) (Wholly owned Subsidiary of the Company) has applied for Voluntary liquidation, pursuant to the provisions of Section 59 of the Insolvency and Bankruptcy Code, 2016 w.e.f. August 11, 2018.

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

(ii) Current

₹ in Million

	Face value	No. of Units	Amount	No. of Units	Amount
		As at March 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018
In Units of mutual Funds, Unquoted (at fair value)					
HDFC Corporate Debt Opportunities Fund - Regular - Growth	10	-	-	3,724,744	53.68
Aditya Birla Sun Life Credit Risk Fund - Gr. Regular (formerly known as Aditya Birla Sun Life Corporate Bond)	10	5,047,117	68.99	6,033,447	78.08
Birla Sun Life Cash Manager - Growth	10	-	-	2,911	1.21
ICICI Prudential Short term - Growth Option	10	1,369,318	52.88	1,369,318	49.56
Tata Short Term Bond Fund Regular Plan - Growth	10	1,358,581	44.11	1,358,581	43.87
Birla Sun Life Short Term Opportunity fund Regular Plan - Growth	10	3,097,541	95.71	3,097,541	89.38
HDFC Short Term Plan - Growth	10	-	-	942,948	32.47
Reliance Strategic Debt Fund - Growth Plan	10	5,777,592	84.95	5,777,592	80.96
L&T Credit Risk Fund - Growth	10	2,507,165	52.85	2,507,165	49.91
IDFC Money Manager Fund Daily Dividend - (Regular Plan) (formerly known as IDFC Money Manager Fund-Treasury Plan-Daily Dividend - (Regular Plan))	10	1,340,723	13.54	8,767	0.09
Aditya Birla Sun Life Money Manager Fund Gr. (formerly known as Birla Sun Life Floating Rate Fund STP Growth)	10	76,634	19.19	76,634	17.71
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan formerly known as Aditya Birla Sun Life Cash Plus)	10	132,962	39.76		
			471.98		**496.92**

Category wise classification of investments - as per Ind AS 109

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets carried at fair value through profit or loss (FVTPL)		
i) Mandatorily measured at FVTPL (Investment in growth mutual fund)	471.98	496.92
ii) Designated as at FVTPL (Investment in equity instruments and government securities)	4.71	8.75
	476.69	**505.67**

9 LOANS

Particulars	As at March 31, 2019	As at March 31, 2018
Current (Unecured)		
Loans to related party (Refer Note:40)	-	1.19
Loans to employees	0.66	1.54
	0.66	**2.73**

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

10 OTHER FINANCIAL ASSETS

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Non Current		
Security Deposits (including considered doubtful as at 31.03.19 ₹ 0.69 million, as at 31.03.18 ₹ 0.69 million)	16.59	9.16
Less : Provision for doubtful security deposits	0.69	0.69
Margin money deposits with Bank for more than twelve months maturity (lodged against bank guarantee and letter of credit)	3.97	-
	19.87	**8.47**
(ii) Current		
Accrued income	1.74	0.79
Unbilled Revenue (Net of Advance from customers)	158.87	102.51
Advances to related party	-	0.51
	160.61	**103.81**

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Contracts in Progress at the end of reporting Period		
1. Contract Revenue Recognise as per Percentage of Completion Method	76.64	40.65
2. Contract Cost Incurred up to the reporting date	41.89	29.71
3. Recognised Profit (1-2)	34.75	10.94
4. Progress billings	-	-
Balance at the end of the year		
5. Recognised and Included in Financial Statements as amounts due:		
(i) Amounts due from Customers under construction contracts	213.71	137.07
(ii) Amounts due to Customers under construction contracts	-	-
6. Retentions held by customer	-	-
7. Advances received from customers	**54.84**	**34.56**

11 OTHER ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Non Current		
Capital Advances	32.66	2.09
Balances with indirect tax authorities	3.05	3.32
	35.71	**5.41**
(ii) Current		
Balances with indirect tax authorities	15.23	17.07
Prepaid expenses	17.04	34.68
Advance to suppliers	23.87	10.49
Employee Advances	0.41	1.71
Export benefit receivable	1.22	-
Others	0.74	0.55
	58.51	**64.50**

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

12 INVENTORIES

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
(Valued at lower of cost or net realisable value)		
Raw materials (including in transit as at 31.03.19 ₹ 8.25 million and as at 31.03.18 ₹1.88 million)	448.72	309.27
Work-in-progress	474.52	318.86
Finished goods (including in transit as at 31.03.19 ₹ 2.90 million and as at 31.03.18 nil)	67.57	130.86
Stores and spares	39.65	28.91
	1,030.46	**787.90**

13 TRADE RECEIVABLES

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured		
Secured, Considered good	488.67	419.65
Unsecured, Considered good	65.72	53.03
Trade Receivable which have significant increase in Credit risk	-	-
Trade Receivable - credit impaired	-	-
	554.39	**472.68**
Less : Allowance for doubtful debts	65.72	53.03
	488.67	**419.65**

Movement in the expected credit loss allowance

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Balance at beginning of the year	53.03	56.64
Add: Provision made during the year	35.00	6.57
Less: Provision used during the year	22.31	10.18
Balance at the end of the year	65.71	53.03

14 CASH AND BANK BALANCES

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and Cash Equivalents		
Balances with banks		
- In current accounts	109.46	20.07
- In deposit accounts with maturity less than three months	175.00	90.17
Cash and stamps on hand	0.35	0.20
	284.81	**110.44**
Other Bank Balances		
- Margin money deposits (lodged against bank guarantee and letter of credit)	1.37	-
- In unpaid dividend accounts - Earmarked balances	2.46	2.23
	3.83	**2.23**

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

15 EQUITY SHARE CAPITAL

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
25,000,000 (PY 25,000,000) Equity shares of ₹ 2/- each	50.00	50.00
Issued, Subscribed and Paid-up		
14,617,500 (PY 14,617,500) Equity shares of ₹ 2/- each fully paid up	29.23	29.23
TOTAL	**29.23**	**29.23**

a Reconciliation of equity shares outstanding at the beginning and end of the reporting year

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Equity Shares:		
At the Beginning of the year	29.23	29.23
Changes in equity share capital during the year	-	-
Balance at the end of the year	**29.23**	**29.23**

b Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% holding	No. of Shares	% holding
Pfaudler Inc. (Parent Company)	7,372,475	50.44%	7,372,475	50.44%
Skyline Millars Limited	1,625,595	11.12%	1,625,595	11.12%

d Buyback of Shares, Bonus Shares and Shares issued for Consideration other than cash.

The Company has not bought back any shares, neither has it issued bonus shares nor has it issued shares for consideration other than cash in the past five years.

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

16 OTHER EQUITY

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Reserve		
Balance at the beginning of the year	0.02	0.02
Movement during the year	-	-
Balance at the end of the year	**0.02**	**0.02**
Cash Subsidy Reserve		
Balance at the beginning of the year	0.69	0.69
Movement during the year	-	-
Balance at the end of the year	**0.69**	**0.69**
Securities Premium		
Balance at the beginning of the year	149.28	149.28
Movement during the year	-	-
Balance at the end of the year	**149.28**	**149.28**
General Reserve:		
Balance at the beginning of the year	211.27	211.27
Add: Transfer from Profit and Loss account	-	-
Balance at the end of the year	**211.27**	**211.27**
Surplus in Statement of Profit and loss		
Balance at the beginning of the year	**1,467.56**	**1,257.54**
Add : Net Profit for the year	405.45	280.40
Less : Appropriations		
Interim Dividend [Dividend Per Share ₹ 3.0, (Previous Year ₹ 2.1)]	43.85	30.70
Final Dividend [Dividend Per Share ₹ 1.9, (Previous Year ₹ 1.9)]	27.77	27.77
Tax on distributed profits	14.72	11.91
Transfer to General Reserve	-	-
Balance at the end of the year	**1,786.67**	**1,467.56**
	2,147.93	**1,828.82**

Nature and Purpose of Reserves

General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the Statement of Profit & Loss.

Securities Premium:

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

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

17 DEFERRED TAX LIABILITIES

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	(13.72)	(10.17)
Deferred tax liabilities	67.12	59.46
Net Deferred Tax Liability	**53.40**	**49.29**

₹ in Million

Particulars	2018-19			2017-18		
	Opening Balance	Charged to / (Reversed from) Statement of P & L	Closing Balance	Opening Balance	Charged to / (Reversed from) Statement of P & L	Closing Balance
Deferred tax liabilities / (assets) in relation to:						
Property, Plant and Equipment	46.92	2.41	49.33	38.44	8.48	46.92
Investments classified as FVTPL	12.54	5.25	17.79	3.68	8.86	12.54
Provision for Doubtful debt	(10.17)	(3.55)	(13.72)	(13.81)	3.64	(10.17)
	49.29	**4 .11**	**53.40**	**28.31**	**20.98**	**49.29**

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

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Profit Before tax from Continuing Operations	**612.73**	**438.95**
Income Tax using the Company's domestic Tax rate #	214.11	151.91
Tax Effect of :		
- Non deductible Expenses	41.21	27.40
- Tax - Exempt income	-	-
- Deduction on account of Expenses allowable in Tax but not claimed in book	(42.66)	(34.69)
- Tax impact on Income charged under Capital Gain	(5.15)	(1.70)
- Changes in recognised deductible temporary differences	4.11	20.78
- Changes in recognised deductible temporary differences due to change in rate of tax	-	0.20
- Tax impact on notional income / expense	(5.24)	(8.70)
Income Tax recognised In Statement of Profit and Loss from Continuing Operations (Effective Tax Rate)	**206.38**	**155.20**

The Tax rate used for Financial Year 2018-19 and 2017-18, in reconciliation above is the corporate tax rate of 34.994% and 34.608% payable by corporate entity in India on taxable profits under the Indian Tax Law.

(b) Income Tax Expense

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current Tax:		
Current Income Tax Charge	202.27	134.22
Deferred Tax		
Deferred Tax Charge for the year	4.11	20.98
Total Tax Expense recognised in statement of profit and loss	**206.38**	**155.20**

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

18 TRADE PAYABLES

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
- Dues to Micro, Small and Medium Enterprises (Refer Note : 42)	33.57	18.81
- Dues to other Creditors	500.27	471.22
	533.84	**490.03**

19 OTHER FINANCIAL LIABLITIES

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Unclaimed Dividend	2.46	2.23
Payables for Capital Expenditure	14.42	27.49
Employee benefits payable	76.71	65.92
	93.59	**95.64**

The amount of Unclaimed Dividend reflects the position as at March 31, 2019. During the year, the company has transferred an amount of ₹ 0.26 Millions (Previous year ₹ 0.26 Millions) to the Investors' Education and Protection Fund in accordance with the provisions of section 125 of the Companies Act, 2013.

20 PROVISIONS

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Provision for employee benefits (Note (i))	8.57	9.30
Provision for unexpired warranty (Note (ii))	14.92	13.39
	23.49	**22.69**

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 33.

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

Provision for unexpired warranty

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance	**13.39**	**12.58**
Add: Additional provision made during the year	12.69	16.30
Less: Provision amount used during the year	11.16	15.49
Closing balance	**14.92**	**13.39**

21 CURRENT TAX LIABILITIES / (NON CURRENT TAX ASSETS)

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Income Tax	334.75	468.37
Advance payment of Taxes	(311.73)	(457.59)
	23.02	**10.78**

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

22 OTHER LIABILITIES

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Advances from customers	537.09	328.22
Statutory dues payable	9.20	9.10
	546.29	**337.32**

23 REVENUE FROM OPERATIONS

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Sale of Products	4,116.20	3,134.65
Other Operating Revenues	70.82	42.08
Total	**4,187.02**	**3,176.73**

1. Post implimentation of Goods and Service Tax (GST) with effect from July 1, 2017, revenue from operation is disclosed net off GST. Revenue from operations for the year ended March 31, 2018 includes excise duty upto June 30, 2017. Accordingly, revenue from operation for the year ended March 31, 2019 are not comparable to those of previous year presented.
2. Effective April 1, 2018, the Company has applied Ind AS 115 which replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied only to contracts that are not completed as at the date of initial application and the comparatives are not restated. The adoption of the standard does not have any material impact to the financial statements of the Company.

Disaggregate Revenues from contracts with customers for the year ended March 31, 2019:

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Glass lined equipment	2,850.05	2,185.99
Revenue from Heavy Engineering	553.44	370.92
Revenue from Proprietary Product	783.53	619.82
Total	**4,187.02**	**3,176.73**

Reconcilation of Revenue from operations with contract price:

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contract Price	4,233.32	3,312.49
Less: Adjustment made to contract price on account of:		
Sales Return	26.19	67.69
Excise duty on sales goods	-	52.63
Liquidated Damages	20.11	15.44
Total	**4,187.02**	**3,176.73**

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

24 OTHER INCOME

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income (Gross)		
- Non - current investments	0.35	0.35
- Deposits with banks	2.13	0.25
- Others	0.31	1.34
Dividend Income		
- Current Investments	0.10	-
Net Gain/ (Loss) on Sale of Investments		
- Non-Current Investments	2.97	(0.02)
- Current Investments	10.06	3.35
Net Gain/ (Loss) on Investments Classified as FVTPL		
- Non-Current Investments	(2.12)	(0.20)
- Current Investments	14.91	25.34
Other non-operating income		
- Bad Debts Recovered	0.55	1.38
- Reversal of Provision for doubtful debts and advances	-	10.80
- Profit on sales of fixed assets	3.83	2.23
- Miscellaneous Income	29.19	21.68
Net gain on foreign exchange translations	10.07	3.89
Total	**72.35**	**70.39**

25 COST OF MATERIALS CONSUMED

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock of Raw Materials	338.18	313.61
Add: Purchases during the year	2,270.56	1,506.46
	2,608.75	**1,820.07**
Less: Closing stock of Raw Materials	488.37	338.18
Total	**2,120.37**	**1,481.89**

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

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Inventory of finished good at the beginning of the year	130.86	29.15
Inventory of work in progress at the beginning of the year	318.86	251.77
	449.72	**280.92**
Inventory of finished good at the closing of the year	67.57	130.86
Inventory of work in progress at the closing of the year	474.52	318.86
	542.09	**449.72**
	(92.37)	**(168.80)**

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

27 EMPLOYEE BENEFITS EXPENSE

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and Wages	381.28	327.48
Contribution to Provident and Other Funds	24.87	23.94
Staff Welfare Expenses	15.99	13.31
Total	**422.14**	**364.73**

28 FINANCE COSTS

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense	1.72	3.98
Other financial charges	9.96	6.33
Total	**11.68**	**10.31**

29 OTHER EXPENSES

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Power & Fuel	216.27	192.23
Stores & Spares Consumption	117.94	124.91
Repairs to Machinery	40.67	38.15
Repairs to Buildings	7.99	4.59
Repairs - Others	7.39	1.98
Rent	41.07	33.95
Insurance	10.06	9.25
Rates & Taxes	3.08	3.17
Royalty	24.71	17.81
Travel & Conveyance	43.37	36.90
Communication	9.83	4.71
Bad debts written off	4.75	1.93
Provision for doubtful debts and advances	10.15	-
Provision for Warranty expenses	2.31	0.82
Advertisement and sales promotion	14.88	7.18
Commission	1.96	1.95
Legal and professional fees	50.95	52.78
Freight outward	84.68	62.87
Payments to auditors (Refer Note : 32)	4.41	3.66
Expense on CSR activities	7.38	6.92
Miscellaneous Expenses	76.38	60.08
Total	**780.23**	**665.84**

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

30 OPERATING LEASE

The Company has entered into operating lease agreement for factory shed / office premises and certain facilities. The Company has given refundable interest free security deposit in accordance with the agreed terms. These lease agreements ranges upto 60 months from the end of the current financial year and usually renewable by mutual consent on mutually agreed terms.

The total future minimum lease payments under operating lease are as under:

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Total Minimum lease payments		
Payable within one year	46.28	30.01
Payable later than one year and not later than five years	168.31	6.73
Payable after five years	-	-
(ii) Lease payments recognised in Statement of Profit and Loss for the year (Refer Note : 29)	41.07	33.95

31 CONTINGENT LIABILITIES AND COMMITMENTS

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
1) Contingent Liabilities		
a) Claim against the Company not acknowledged as debts		
i) Dispute relating to Excise, Service tax and Sales tax	23.36	19.54
ii) Matter decided in favour of the company where the income tax department has preferred appeals.	55.04	63.41
iii) Disputed demands relating to tax against which the Company has preferred appeals.	11.21	10.15
Note: Against the above, the company has paid ₹ 6.37 Millions. The expected outflow will be determined at the time of final outcome in respect of concerned matter. No amount is expected to be reimbursed.		
b) Guarantee issued by bank	489.95	359.18
2) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	149.80	47.94

32 PAYMENTS TO AUDITORS

₹ in Million

Particulars	Year March 31, 2019	Year March 31, 2018
As Auditor		
(i) Statutory Audit fees	2.20	2.15
(ii) Limited review fees	1.10	0.90
(iii) Tax audit fees	0.20	0.20
Other services		
(i) Certification	0.59	0.18
Reimbursement of out-of-pocket expenses	0.32	0.23
	4.41	**3.66**

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

33 AS PER IND AS 19 "EMPLOYEE BENEFITS", THE DISCLOSURES AS DEFINED IN THE ACCOUNTING STANDARD ARE GIVEN BELOW:

Defined Contribution Plans

The Company operates defined contribution retirement benefit plans for all qualifying employees in the form of provident fund, superannuation fund, family pension fund.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

₹ in Million

Particulars	Year March 31, 2019	Year March 31, 2018
Employer's Contribution to Provident Fund	10.39	9.63
Employer's Contribution to Superannuation Fund	4.47	4.25
Employer's Contribution to Pension Scheme	6.06	5.74

Compensated absences and earned leaves

The Company's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy.

Defined Benefit Plans

The Company operates a defined benefit plan in form of gratuity plan covering eligible employees, which provide a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

These plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on planned asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan liability.

In respect of the plan , the most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at March 31, 2019 by M/S K A Pandit, Fellow member of the Institute of the Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

The amounts recognized in the Company's financial statements as at the year end are as under:

₹ in Million

		Gratuity (Funded)		Compensated Absences (Fund)	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
a	**Assumptions :**				
	Discount Rate	7.79%	7.87%	7.79%	7.87%
	Rate of Return on Plan Assets	7.79%	7.87%	7.79%	7.87%
	Salary Escalation	6.0%	6.0%	6.0%	6.0%
	Mortality	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08
	Average Past Service	6.46 Years	6.89 Years	6.89 Years	6.89 Years
	Average Age	36.10 Years	36.04 Years	36.04 Years	36.04 Years
	Rate of Employee Turnover	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a.	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a.	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a.	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a.
		Ultimate Table	**Ultimate Table**	**Ultimate Table**	**Ultimate Table**
b	**Table showing changes in Present value of defined benefit obligation:**				
	Liability at the beginning of the year	47.12	45.54	18.56	13.09
	Interest cost	3.71	3.42	1.46	0.98
	Current service cost	4.19	2.81	1.68	2.05
	Benefit paid	(2.82)	(7.40)	(1.92)	(4.55)
	Actuarial (gains) and loss arising from changes in demographic assumption	-	(0.19)	-	(0.21)
	Actuarial (gains) and loss arising from changes in financial assumptions	0.40	(1.60)	0.20	(0.78)
	Actuarial (gains) and loss arising from experience adjustments	(0.10)	4.54	1.24	7.98
	Liability at the end of the year	52.50	47.12	21.22	18.56
c	**Change in Plan Assets:**				
	Fair value of Plan Assets at the beginning of the year	41.22	44.41	15.26	16.75
	Expected Return on Plan Assets	3.24	3.34	1.20	1.26
	Contributions	6.79	1.47	2.99	0.06
	Benefit Paid	(2.82)	(7.40)	(1.92)	(2.57)
	Actuarial gain / (loss) on Plan Assets	(0.60)	(0.60)	(0.21)	(0.24)
	Fair value of Plan Assets at the end of the year	47.83	41.22	17.32	15.26
d	**Actual Return on Plan Assets:**				
	Expected Return on Plan Assets	3.24	3.34	1.26	1.26
	Actuarial (loss) on Plan Assets	(0.60)	(0.60)	(0.21)	(0.24)
	Actual Return on Plan Assets	2.64	2.74	0.99	1.02
e	**Amount Recognized in the Balance Sheet:**				
	Present value of Funded defined benefit obligation at the end of the year	52.50	47.12	21.22	18.56
	Fair value of Plan Assets at the end of the year	47.83	41.22	17.32	15.26
	Net (Liability)/Asset Recognized in the Balance Sheet	(4.67)	(5.90)	(3.90)	(3.30)

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

₹ in Million

		Gratuity (Funded)		Compensated Absences (Fund)	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
f	**Expenses Recognized in the Statement of Profit & Loss :**				
	Current Service cost	4.19	2.81	1.68	2.05
	Interest Cost	0.47	0.08	0.26	(0.28)
	Net Actuarial (gain) / loss to be recognized	0.90	3.35	1.65	7.23
	Expense / (Income) Recognized in Statement of Profit and Loss	5.56	6.64	3.59	9.00
g	**Balance Sheet Reconciliation:**				
	Opening Net Liability	5.90	1.13	3.30	(3.66)
	Expenses recognised in Statement of Profit and Loss	4.66	2.89	3.59	9.00
	Expenses recognised in OCI	0.90	3.35	-	-
	Employers Contribution	(6.79)	(1.47)	(2.99)	(2.04)
	Net Liability / (Assets) Recognized in Balance Sheet	4.67	5.90	3.90	3.30
h	**Other Details:**				
	Gratuity is payable at the rate of 15 days salary for each year of service				
	Salary escalation is considered as advised by the Company which is in line with the industry practice considering promotion and demand and supply of the employees.				
i	**Experience Adjustment**				
	Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.10)	4.54	1.24	7.98
	Actuarial (Gains)/Losses on Plan Assets - Due to Experience	0.60	0.60	(0.21)	0.24
j	**Projected Contribution for next year**	**9.26**	**10.08**	**5.87**	**4.99**

k **Sensitivity analysis for each significant actuarial assumption**

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Projected Benefit obligation on current assumption	52.49	47.11
Impact of increase in discount rate by 1%	(4.58)	(4.10)
Impact of decrease in discount rate by 1%	5.44	4.84
Impact of increase in salary escalation rate by 1%	5.48	4.89
Impact of decrease in salary escalation rate by 1%	(4.69)	(4.20)
Impact of increase in rate of employee turnover by 1%	0.79	0.72
Impact of decrease in rate of employee turnover by 1%	(0.91)	(0.83)

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

l Investment details of plan assets

The Plan assets are managed by Insurance group viz. Life Insurance Corporation of India which has invested the funds substantially as under :

₹ in Million

	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Insurance Fund	47.83	41.23	17.32	15.26
Total	**47.83**	**41.23**	**17.32**	**15.26**

m Maturity Profile

₹ in Million

Particulars	Gratuity	
	March 31, 2019	March 31, 2018
1st Following Year	8.09	3.72
2nd Following Year	1.16	1.45
3rd Following Year	5.07	6.62
4th Following Year	3.08	4.81
5th Following Year	2.33	2.95
Sum of Years 6 to 10	19.69	13.55
Sum of Years 11 and above	103.21	94.55

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.

34 FINANCIAL INSTRUMENT:

34.1 Capital Management

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

The company is zero debt company and its capital structure consists of own equity only. Hence, Gearing Ratio of the company for the year ended March 31, 2019 as well as March 31, 2018 comes to NIL.

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

34.2 Categories of Financial Instruments :

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured		
(i) Investment in Growth mutual fund	471.98	496.92
(b) Designated as at FVTPL		
(i) Investment in equity instruments	4.71	8.75
Measured at amortised cost		
(a) Cash and bank balances	288.64	112.67
(b) Other financial assets at amortised cost		
(i) Trade Receivables	488.67	419.65
(ii) Loans	0.66	2.73
(iii) Others	180.48	112.28
Financial liabilities		
Measured at amortised cost		
Trade Payables	533.84	490.03
Others	93.59	95.64

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

34.3 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.

34.3.1 Market Risk management

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates, interest rates and underlying investment prices.

The entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and investment prices.

(a) Foreign currency exchange rate risk:

The Company's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Since a major part of the Company's revenue and its costs are in Indian Rupees , any movement in currency rates would not have major impact on the Company's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The carrying amount of Foreign Currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

₹ in Million

Particulars	Currency	(Liabilities)/Assets as at	
		March 31, 2019	March 31, 2018
Trade Payable (Net of advances)*	USD	(0.68)	0.42
	EUR	(3.05)	(10.58)
	CHF	-	(1.53)
	JPY	-	(13.09)
	GBP	(0.00)	-
Cash & Cash Equivalents**	USD	16.60	0.00
	EUR	10.97	0.00
Trade Receivable (Net of advances)	USD	(0.70)	20.63
	EUR	6.80	34.95
	CHF	(1.14)	0.35
Other Assets	CHF	-	0.51

* The value of INR equivalent to GBP is 197.
** The value of INR equivalent to USD is 129 and to EUR is 1,575 in previous year.

With respect to the Company's financial instruments (as given above), a 5% increase / decrease in relation to foreign currency rate on the underlying would have resulted in increase /decrease of ₹ 1.44 million (₹1.58 million) in the Company's net profit for the year ended March 31, 2019 and March 31, 2018 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 does not have any outstanding borrowings at the end of any reporting period and hence company is not subject to any interest rate risk.

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

34.3 Financial risk management objectives (contd.)

(c) Other price risk

The Entity is exposed to price risks arising from its investments which are held for strategic as well as trading purposes.

The sensitivity analysis have been determined based on the exposure to price risks for Investments in equity shares of other companies and mutual funds at the end of the reporting period.

If prices had been 5% higher/lower:Profit for the year ended March 31, 2019 would increase/decrease by ₹ 23.83 millions (for the year ended March 31, 2018 by ₹ 25.28 millions) as a result of the change in fair value of investments.

34.3.2 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.

	Year ended March 31, 2019		Year ended March 31, 2018	
Custome Name	% of total receivables	(Amount in ₹)	% of total receivables	(Amount in ₹)
Deccan Fine Chemicals (I) Pvt. Ltd.	10.86%	62,558,728	14.38%	67,875,692
Toyo Engineering India Ltd.	1.99%	11,442,171	8.76%	41,346,914
MSN Laboratories Private Limited	7.55%	43,467,932	0.85%	4,013,497
Divi's Laboratories Limited	5.91%	34,063,934	2.28%	10,774,893

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 1435.14 millions and ₹ 1153 millions as at March 31, 2019 and March 31, 2018 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.

34.3.3 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, 2019 (Contd.)

34.3.3 Financial risk management objectives (contd.)

₹ in Million

Particulars	Up to 1 Year	1 to 5 years	5 years and above
As at March 31, 2019			
Trade payable	533.84	-	-
Other Financial Liabilities	93.59	-	-
Total	**627.43**	**-**	**-**
As at March 31, 2018			
Trade payable	490.03	-	-
Other Financial Liabilities	95.64	-	-
Total	**585.67**	**-**	**-**

The following table details the Entity's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Entity's liquidity risk management as the liquidity is managed on a net asset and liability basis.

₹ in Million

Particulars	Less than 1 month	1 to 5 years	5 years and above
March 31, 2019			
Current Investments	471.98	-	-
Trade receivables	488.67	-	-
Cash & Cash equivalents	284.81	-	-
Bank balances other than above	3.83	-	-
Current Financial assets - Loans	0.66	-	-
Other Financial Assets	160.61	-	-
Non current Investments	-	4.71	-
Non current Financial assets - Loans	-	-	-
Other Non current Financial assets	-	19.87	-
Total	**1,410.56**	**24.58**	**-**
March 31, 2018			
Current Investments	496.92	-	-
Trade receivables	419.65	-	-
Cash & Cash equivalents	110.44	-	-
Bank balances other than above	2.23	-	-
Current Financial assets - Loans	2.73	-	-
Other Financial Assets	103.81	-	-
Non current Investments	-	8.75	-
Non current Financial assets- Loans	-	-	-
Other Non current Financial assets	-	0.25	8.22
Total	**1,135.79**	**9.00**	**8.22**

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

35 FAIR VALUE MEASUREMENTS

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

Fair Value of the Entity's financial assets and financial liabilities that are measured at fair value on a recurring basis.

₹ in Million

Financial Assets / financial liabilities	Fair Value as at			
	March 31, 2019	March 31, 2018	Fair Value hierarchy	Valuation technique(s) and key input(s)
1. Investments in Mutual Funds (Note 8)	471.98	496.92	Level 1	Quoted bid prices in an active market
2. Investments in equity instruments (Quoted) (Note 8)	0.00	3.97	Level 1	Quoted bid prices in an active market
3. Investments in equity instruments (Unquoted) (Note 8)	0.01	0.01	Level 3	Net asset approach - value per equity share of investment is derived by dividing net assets of company with total no. of equity shares issued by the company
4. Investments in Government Securities (Quoted) (Note 8)	4.70	4.77	Level 1	Quoted bid prices in an active market

Note 1: Significant unobservable inputs for Financial Instruments classified under "Level - 3" Fair Value hierarcy are Net Assets of the investee company as on the date of Fair Valuation.

Note 2: Reconciliation of Level 3 fair value measurements

₹ in Million

Particulars	Unlisted Equity Instrument
Opening Balance as at April, 2017	0.01
Total Gain/(Loss) in statement of Profit and Loss	-
Closing Balance as at March 31, 2018	0.01
Total Gain/(Loss) in statement of Profit and Loss	-
Closing Balance as at March 31, 2019	**0.01**

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

36 RELATED PARTY DISCLOSURES

(I) List of Related parties

(a) Parties where control exists:		
(i) Ultimate Holding Company	:	Pfaudler International s.a.r.l.
(ii) Holding Company	:	Pfaudler Inc.
(b) Subsidiaries Companies	:	Karamsad Holdings Ltd. (up to 11th Aug 2018)
		Karamsad Investments Ltd. (up to 11th Aug 2018)
		GMM Mavag AG
		Mavag AG
(c) Follow Subsidiaries	:	Pfaudler GmbH
		Pfaudler Balfour Ltd.
		Edlon PSI Inc.
		Suzhou Pfaudler Glass Lined Equipment Co. Ltd.
		Glass Steel Parts and Services
		Pfaudler s.r.l.
		Pfaudler Limited
		Pfaudler Rochester, USA
		Pfaudler Process Solution Group U.K. Limited
		Pfaudler Ltda, Brazil
		Normag Labournd Prozees Technik GmbH
		Interseal Dipl. - Ing. Rofl Schmitz GmbH
(d) Key management personnel	:	Mr. Tarak Patel – Managing Director
		Mr. Ashok Pillai – Chief Operating Officer
		Mr. Jugal Sahu – Chief Financial Officer
		Ms. Mittal Mehta – Company Secretary
(e) Relative of Key management personnel	:	Mr. Ashok Patel (Father of Mr. Tarak Patel)
		Mrs. Urmi Patel (Mother of Mr. Tarak Patel)
		Mrs. Uttara Gelhaus (Sister of Mr. Tarak Patel)
		Mrs. Payal Patel (wife of Mr. Tarak Patel)
(f) Enterprises over which key managerial personnel have significant influence	:	Skyline Millars Ltd.
		Ready Mix Concrete Ltd.
		Ashok J Patel - HUF
		A J Patel Charitable Trust
		J V Patel & Co.
		Oerlikon Textiles (I) Pvt. Ltd.

36 RELATED PARTY DISCLOSURES (CONTD.)

(II) Transactions with related parties

₹ in Million

Transaction	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Key Management Personnel		Relative of Key Management Personnel		Other Related Parties	
	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Purchase of goods	20.35	0.61	1.27	14.26	37.96	8.65	-	-	-	-	6.95	5.57
Sale of goods	111.57	-	75.82	75.51	118.49	74.51	-	-	-	-	-	-
Services received	0.76	1.11	1.64	-	0.11	0.14	-	-	-	-	0.65	0.48
Services provided	-	-	-	-	0.22	-	-	-	-	-	-	-
Royalty	24.71	17.81	-	-	-	-	-	-	-	-	-	-
Lease Rent paid	-	-	-	-	-	-	-	-	-	-	44.80	34.20
Remuneration	-	-	-	-	-	-	51.82	38.77	-	-	-	-
Dividend paid	36.13	29.50	-	-	-	-	0.86	0.70	3.91	3.20	2.60	2.12
Director Sitting Fees	-	-	-	-	-	-	1.70	1.90	-	-	-	-
Advance Received	35.24	-	17.47	-	3.09	-	-	-	-	-	-	-
Advance Received back	-	-	0.45	1.40	-	-	-	-	-	-	-	-
Repayment of Loan	-	-	-	-	-	-	1.19	2.94	-	-	-	-
Balance outstanding#	-	-					-		-	-		
Payables	21.85	15.94	-	8.22	8.48	1.97	27.52	12.60	-	-	0.09	2.94
Receivables*	-	-	8.16	13.51	44.26	31.02	-	1.19	-	-	-	-
Advanced Received	35.24	-	17.47	-	3.09	-	-	-	-	-	-	-
Deposit outstanding	-	-	-		-	-	-	-	-	-	21.80	27.73

* Receivable of Subsidiary include ₹ 8.16 Million in current year and ₹ 13.07 Million in previous year related to trade receivable

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

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

36 RELATED PARTY DISCLOSURES (CONTD.)

(III) Significant Related Party Transactions are as under:

₹ in Million

Nature of transactions	Name of Party	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of goods	Pfaudler GmbH	30.60	4.97
	Pfaudler Inc.	20.35	1.72
	Oerlikon Textile India Pvt.Ltd	6.95	7.57
	Mavag AG	1.27	14.26
	Pfaudler S.r.l.	4.35	1.64
Sale of goods	Mavag AG	75.82	75.51
	Pfaudler GmbH	35.23	24.27
	Suzhou Pfaudler Glass Lined Equipment Co. Ltd.	30.13	31.34
	Pfaudler Inc.	111.57	-
Services received	Pfaudler Inc.	0.76	1.11
	Mavag AG	1.64	-
	Oerlikon Textile India Pvt. Ltd.	0.65	-
Services provided	Pfaudler GMBH	0.22	-
Lease rent paid	Ready Mix Concrete Ltd.	32.51	33.19
	J V Patel & Co.	11.21	-
Royalty	Pfaudler Inc.	24.71	17.81
Remuneration paid	Mr. Tarak A. Patel	31.18	19.10
	Mr. Ashok Pillai	10.71	9.45
	Mr. Jugal Sahu	7.93	7.21
Dividend paid	Pfaudler Inc	36.13	29.50
Repayment of Loan	Mr. Ashok Pillai	1.19	2.94
Balances outstanding as on March 31, 2019			
Payables	Pfaudler GMBH	7.24	1.03
	Pfaudler Inc.	21.85	15.94
Receivables	Mavag AG	8.87	13.07
	Pfaudler GmbH	-	23.37
	Pfaudler S.r.l.	16.85	5.89
	Suzhou Pfaudler Glass Lined Equipment Co. Ltd.	27.37	-
Advance Received against order	Pfaudler Inc.	35.24	-
	Mavag AG	17.47	-
Deposit outstanding	Ready Mix Concrete Ltd.	10.40	27.73
	J V Patel & Co.	11.40	-
Key Managerial Personal			
Receivable	Mr. Ashok Pillai	-	1.19
Payable	Mr. Tarak Patel	22.92	9.92
	Mr. Ashok Pillai	3.00	1.14
	Mr. Jugal Sahu	1.39	1.29

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short-term employee benefits	50.79	34.05
Post-employment benefits	2.62	4.51
Other long-term benefits	0.11	0.11
Termination benefits	-	-
Share-based payment	-	-
Total	**53.52**	**40.67**

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, 2019 (Contd.)

37 SEGMENT REPORTING

(a) Primary Segment reporting by Business Segment

₹ in Million

Particulars	Glasslined Equipment		Heavy Engineering		Proprietary Product		Total	
Year Ended	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue :								
Total External Sales	2,850.05	2,185.99	553.44	370.92	783.53	619.82	4,187.02	3,176.73
Segment Results:								
Profit/(Loss) Before Tax and Interest	556.04	429.54	64.21	40.29	77.91	46.47	698.16	516.30
Unallocated Expense (Net)							76.54	68.98
Add: Interest Income							2.79	1.94
Less: Interest Expense							11.68	10.31
Profit/(Loss) Before Tax							612.73	438.95
Taxes							206.38	155.20
Net Proft after Tax							406.35	283.75
Segment Assets	1,449.68	1,310.55	424.53	251.99	466.88	305.04	2,341.09	1,867.58
Unallocated Assets							1,109.70	996.22
Total Assets							3,450.79	2,863.80
Segment Liabilities	795.18	640.91	153.29	98.19	244.51	201.50	1,192.98	940.60
Unallocated Liabilities							80.65	65.15
Total Liabilities							1,273.63	1,005.75
Capital Expenditure	118.24	128.39	19.26	3.40	16.98	16.87	154.48	148.66
Unallocated Capital Expenditure							15.87	69.12
Depreciation	70.57	56.00	10.06	8.36	16.11	13.90	96.74	78.26
Unallocated Depreciation							6.91	4.80

Notes

1) Considering the nature of the Company's business and operations, as well as based on reviews performed by Chief operating decision maker regarding resource allocation and performance management, the Company has classified Glass lined Equipment, Heavy Engineering and Proprietary Products as reportable segments in accordance with the requirements of Ind AS 108 – "Operating segments".

2) Segment revenue, results, assets and liabilities include amounts that are directly attributable to the respective segments. Amounts not directly attributable have been allocated to the segments on the best judgment of the management in the absence of detailed internal financial reporting system. Expenses not directly allocable to the segments are treated as "Unallocated Expenses"

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

Entity wide Disclosure

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current operating assets:		
India	712.78	638.40
Others	-	-
Total	**712.78**	**638.40**

Geographic information

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Geographic information		
Revenue from external customers		
India	3,733.68	2,898.62
Outside India	453.34	278.11
Total revenue per Standalone statement of profit or loss	**4,187.02**	**3,176.73**

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

38 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 ₹ 7.31 million is as follows:

₹ in Million

Sr. No.	Sector / Activity Identified	CSR Project	Location	Implementing Agency	Budget	Amount Spent
1.	Hospital / Rural Healthcare	Contribution for promoting rural healthcare	Karamsad, Gujarat	Charutar Arogya Mandal	2.80	2.80
2.	Skill Development	Contribution to J V Patel ITI	Karamsad, Gujarat	J V Patel ITI	1.45	2.24
3.	Environment Sustainability	Contribution to Sardar Patel Trust	Karamsad, Gujarat	Sardar Patel Trust	0.64	0.64
4.	Environment Sustainability	Contribution to Reefwatch Marine Conservation	Andaman - Nicobar Island, India	Reefwatch Marine Conservation	1.00	1.00
5.	Social Awarness	Contribution to Kerala Relief fund	Thiruvanathapuram (Kerala)	Chief Minister Distress Relief Fund (CMDRF)	0.20	0.20
6.	Social Awarness	Contribution to Magic Bus	Mumbai, Maharashtra	Magic Bus India Foundation	0.50	0.50
				Total	**6.59**	**7.38**

39 RESEARCH AND DEVELOPMENT EXPENSES

Break-up of research and development expenses included in statement of profit and loss, is as follows :

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Material Cost	0.24	1.04
Employee benefits expenses	11.90	8.13
Other expenses:		
Labour Charges Paid to Subcontractors	2.20	1.76
Depreciation	0.10	0.09
	14.44	**11.02**

40 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013

Details of Loan given :

₹ in Million

Sr. No.	Name of the Party	As at March 31, 2019	As at March 31, 2018
1.	Mr. Ashok Pillai	-	1.19

41 EARNINGS PER SHARE

₹ in Million

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a)	Net profit for the year available to equity shareholders after Tax in Million ₹	406.35	283.75
b)	Weighted average number of Equity Shares during the year	14,617,500	14,617,500
c)	Face value of Equity Share in ₹	2.00	2.00
d)	Basic and diluted earnings per share ₹	27.80	19.41

Notes to Standalone Financial Statements for the year ended March 31, 2019 (Contd.)

42 DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2018-19, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE "SUPPLIERS" REGARDING THEIR STATUS UNDER THE ACT.

₹ in Million

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
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	0.09	7.06
	Interest due on above	-	-
ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

43 THE COMPANY HAS ACQUIRED INDUSTRIAL MIXING SOLUTIONS DIVISION (IMSD) OF SUDARSHAN CHEMICAL INDUSTRIES LTD, PUNE ON A GOING CONCERN BASIS IN TERMS OF DEFINITE AGREEMENT ON APRIL 12, 2019.

44 PROPOSED DIVIDEND:

"The Board of Directors in their meeting held on 30th May, 2019, proposed a final equity dividend of ₹ 1.5 per equity share of ₹ 2.00 each fully paid up for the financial year 2018-19. The aggregate amount of final equity dividend proposed to be distributed is ₹ 21.93 million including dividend distribution tax of ₹ 4.51 million."

45 THE FINANCIAL STATEMENTS OF THE YEAR ENDED MARCH 31, 2019 WERE PROPOSED FOR THE ISSUE BY THE BOARD OF DIRECTORS ON MAY 30, 2019.

As per our report of even date.

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

Kartikeya Raval
Partner
Membership No. 106189
Mumbai, May 30, 2019

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 30, 2019

Mittal Mehta
Company Secretary
FCS 7848

Independent Auditor's Report

To The Members of GMM Pfaudler Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of GMM Pfaudler Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, 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 is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition on long-term contracts (percentage of completion accounting)

Key Audit Matter Description

The Group generates its revenue from 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 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.

How the Key Audit Matter was addressed in the Audit

As part of our audit we obtained an understanding of the methodology applied, the internal processes and the controls used to determine the percentage of completion. We evaluated the processes and technical systems used to record actual costs incurred, tested the manual controls and automated controls implemented in the systems.

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

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

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

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

On the basis of the audit procedure above, we have gained sufficient evidence to address the risk of material misstatements in revenue recognition on long-term contracts.

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

Independent Auditor's Report (Contd.)

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 Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or 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.

Independent Auditor's Report (Contd.)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 4 subsidiaries, whose financial statements reflect total assets of ₹ 1009.15 million as at 31st March, 2019, total revenues of ₹ 930.28 million and net cash outflows amounting to ₹ 85.87 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 95.90 million for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of 4 subsidiaries, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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 other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss

including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2019 taken on record by the Board of Directors of the Company, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/ W 100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Mumbai
Date: May 30, 2019

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, 2019, we have audited the internal financial controls over financial reporting of GMM Pfaudler Limited (hereinafter referred to as "Parent") being the only company in the group to which requirements of the Act are applicable, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent being the only company in the group to which requirements of the Act are applicable, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 internal financial controls over financial reporting of the Parent 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 internal financial controls system over financial reporting of the Parent, being the only company in the group to which requirements of the Act are applicable as of date.

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, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/ W 100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Mumbai
Date: May 30, 2019

Consolidated Balance Sheet

as at March 31, 2019

₹ in Million

Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipment	6	597.69	571.35
(b) Capital work-in-progress		49.54	27.60
(c) Goodwill on consolidation		123.38	121.31
(d) Other Intangible Assets	7	54.93	15.73
(e) Intangible assets under development		0.40	40.22
(f) Financial Assets			
(i) Investments	8	4.71	8.75
(ii) Others	10	19.87	12.77
(g) Deferred Tax Assets (net)	17	8.20	2.22
(h) Other non-current assets	11	35.71	5.41
Sub-total		**894.43**	**805.36**
(2) Current Assets			
(a) Inventories	12	1,154.55	956.41
(b) Financial Assets			
(i) Investments	8	471.98	496.92
(ii) Trade Receivables	13	672.05	505.29
(iii) Cash & Cash Equivalents	14	754.16	665.66
(iv) Bank balances other than (iii) above	14	3.83	2.23
(v) Loans	9	79.73	2.73
(vi) Others	10	236.01	376.42
(c) Other current assets	11	77.06	77.69
Sub-total		**3,449.37**	**3,083.35**
Total Assets		**4,343.80**	**3,888.71**
EQUITY & LIABILITIES			
Equity			
(a) Equity Share Capital	15	29.23	29.23
(b) Other Equity	16	2,660.05	2,248.27
Sub-total		**2,689.28**	**2,277.50**
LIABILITIES			
(1) Non-current liabilities			
(a) Deferred tax liabilities (Net)	17	53.40	47.45
(b) Provisions	20	154.50	125.74
Sub-total		**207.90**	**173.19**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Trade payables due to			
- Micro & Small Enterprise	18	33.57	18.81
- Other than Micro & Small Enterprise	18	605.53	589.64
(ii) Others	19	93.59	95.64
(b) Provisions	20	30.05	29.14
(c) Current tax liabilities (net)	21	23.02	10.73
(d) Other current liabilities	22	660.86	694.06
Sub-total		**1,446.62**	**1,438.02**
Total Equity & Liabilities		**4,343.80**	**3,888.71**
Summary of Significant Accounting Policies	4		

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

As per our report of even date.

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

Kartikeya Raval
Partner
Membership No. 106189
Mumbai, May 30, 2019

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 30, 2019

Mittal Mehta
Company Secretary
FCS 7848

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

₹ in Million

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Income:			
Revenue from Operations	23	5,026.43	4,109.62
Other Income	24	84.50	93.94
Total Income		**5,110.93**	**4,203.56**
Expenses:			
Cost of materials consumed	25	2,380.54	1,790.56
Changes in inventories of finished goods and work in progress	26	(51.38)	(105.27)
Excise duty on sale of goods		-	52.63
Employee benefits expense	27	726.10	635.15
Finance cost	28	11.72	10.31
Depreciation and amortisation expense	6&7	109.74	97.89
Labour Charges		355.78	383.71
Other expenses	29	845.73	732.07
Total Expense		**4,378.23**	**3,597.05**
Profit before tax		**732.70**	**606.51**
Tax expenses:			
Current tax		223.76	154.62
Deferred tax		3.13	25.13
		226.89	**179.75**
Profit for the year		**505.81**	**426.76**
Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
(i) Actuarial Gain / (Loss) on Gratuity and Pension obligations		(20.35)	(43.53)
(ii) Income tax relating to items that will not be reclassified to profit or loss		3.11	6.43
(B) Items that may be reclassified to profit or loss			
(i) Exchange difference in translating the financial statements of foreign components		12.52	19.99
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (A (i-ii)		**(4.72)**	**(17.11)**
Total Comprehensive Income for the year		**501.09**	**409.65**
Earnings Per Equity Share:			
Basic		34.60	29.20
Diluted		34.60	29.20
Significant Accounting Policies	4		

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

As per our report of even date.

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

Kartikeya Raval
Partner
Membership No. 106189
Mumbai, May 30, 2019

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 30, 2019

Mittal Mehta
Company Secretary
FCS 7848

Consolidated Statement of Cash Flow

for the year ended March 31, 2019

₹ in Million

		Year ended March 31, 2019	Year ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**732.70**	**606.51**
Adjustments for			
Depreciation		109.74	97.89
Net (gain) / loss on sale & discard of fixed assets		(18.17)	(2.23)
Net (gain) / loss on sale of Current Investment		(10.06)	(3.35)
Net (gain) / loss on sale of Non-Current Investment		(2.97)	0.02
Net (gain) / loss on Current Investments designated as Fair Value Through Profit or Loss		(14.91)	(25.34)
Net (gain) / loss on Non Current Investments designated as Fair Value Through Profit or Loss		2.12	0.20
Interest income		(4.76)	(10.41)
Interest and financial charges		11.72	10.31
Dividend Income		(0.10)	-
Provision for doubtful debts, liquidated damages and advances		9.75	(3.45)
Provision for Warranty		2.40	0.90
Unrealised foreign exchange fluctuation loss/(gain)		10.46	13.40
Acturial Gain / (loss) on Gratuity reclassified in OCI		(20.35)	(43.53)
Operating profit before working capital changes		**807.57**	**640.92**
Adjustments for :			
(Increase)/ Decrease in Inventories		(198.14)	(133.94)
(Increase)/ Decrease in Trade receivable,Short term loan & advances and other assets		(150.20)	(18.38)
Increase/ (Decrease) in Trade payables,other current liabilities & Provisions		22.67	338.01
Cash generated from operations		481.90	826.61
Direct Taxes paid		(211.53)	(149.25)
Net cash from operating activities	A	**270.37**	**677.36**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment,including intangible assets		(162.12)	(238.72)
Proceeds from sale of property, plant and equipment		22.89	4.88
Purchase of current investments		(133.01)	(58.03)
Proceeds from sale of current investments		182.93	40.44
Proceeds from sale of Non-current investments		4.90	-
Fixed deposits maturity proceeds from banks		4.30	3.30
Fixed deposits placed with banks		(5.34)	(4.30)
Interest received		4.76	10.41
Dividend received		0.10	-
Net cash used in investing activities	B	**(80.61)**	**(242.02)**

Consolidated Statement of Cash Flow for the year ended March 31, 2019 (Contd.)

₹ in Million

		Year ended March 31, 2019	Year ended March 31, 2018
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Short term Borrowing		-	45.12
Repayment of Short term Borrowing		-	(45.12)
Interest paid		(11.72)	(10.31)
Dividend paid		(71.85)	(58.53)
Tax on distributed profits		(14.72)	(11.87)
Net cash used in financing activities	C	**(98.29)**	**(80.71)**
Adjustment due to liquidation	D	**(2.97)**	-
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	A+B+C+D	**88.50**	**354.63**
Cash and Cash equivalents, beginning of the year		665.66	311.03
Effect of Exchange Rate Changes [(Gain)/Loss]		-	-
Cash and Cash equivalents, end of the year		**754.16**	**665.66**
COMPONENTS OF CASH AND CASH EQUIVALENTS			
Cash and Cash Equivalent			
Balances with banks			
- In current accounts		578.56	570.28
- In deposit accounts (Less than three months maturity)		175.00	90.67
Cash on hand		0.60	4.71
Total		**754.16**	**665.66**
Other Bank Balances			
- In unpaid dividend accounts		2.46	2.23
- Margin money deposits (lodged against bank guarantee and letter of credit)		1.37	-
Cash and Bank Balances at the end of the year		**757.99**	**667.89**

The company has been sanctioned credit facilities for working capital of ₹ 200 million, of which facilities utilised as on March 31, 2019 were ₹ Nil

The statement of Cash Flow has been prepared under the "Indirect Method" set out in IND AS 7 statement of Cash Flow

As per our report of even date.

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

Kartikeya Raval
Partner
Membership No. 106189
Mumbai, May 30, 2019

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 30, 2019

Mittal Mehta
Company Secretary
FCS 7848

Consolidated Statement of changes in equity

for the year ended March 31, 2019

(I)	Equity Share Capital	Amount (₹ in Million)
	Balance at April 1, 2017	**29.23**
	Movement during the year	-
	Balance at March 31, 2018	29.23
	Movement during the year	-
	Balance at March 31, 2019	**29.23**

(II) i) Other Equity :

₹ in Million

	Capital Reserve	Securities Premium	General Reserve	Cash Subsidy Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total
Balance at April 1, 2017	**0.02**	**149.28**	**220.84**	**0.69**	**1,403.49**	**134.63**	**1 ,908.95**
Profit for the year	-	-	-	-	426.76	-	426.76
Other comprehensive income for the year, net of income tax	-	-	-	-	(37.10)	19.99	(17.11)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**389.66**	**19.99**	**409.65**
Payment of dividends	-	-	-	-	(58.47)	-	(58.47)
Taxes on dividend	-	-	-	-	(11.86)	-	(11.86)
Balance at March 31, 2018	**0.02**	**149.28**	**220.84**	**0.69**	**1,722.82**	**154.62**	**2,248.27**
Balance at April 1, 2018	**0.02**	**149.28**	**220.84**	**0.69**	**1,722.82**	**154.62**	**2,248.27**
Profit for the year	-	-	-	-	505.81	-	505.81
Other comprehensive income for the year, net of income tax	-	-	-	-	(17.24)	12.52	(4.72)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**488.57**	**12.52**	**501.09**
Payment of dividends	-	-	-	-	(71.62)	-	(71.62)
Taxes on dividend	-	-	-	-	(14.72)	-	(14.72)
Adjustment due to liquidation	-	-	(1.48)	-	(1.49)	-	(2.97)
Balance at March 31, 2019	**0.02**	**149.28**	**219.36**	**0.69**	**2,123.56**	**167.14**	**2,660.05**

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

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

As per our report of even date.

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

Kartikeya Raval
Partner
Membership No. 106189
Mumbai, May 30, 2019

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 30, 2019

Mittal Mehta
Company Secretary
FCS 7848

Notes

to Consolidated Financial Statements for the year ended March 31, 2019

1 GROUP INFORMATION

GMM Pfaudler Limited, the Parent Company ("the Company") is a public limited company incorporated and domiciled in India. The Company's manufacturing unit is located at Karamsad, Gujarat. The Company's principal activity is the manufacture of corrosion resistant glass-lined equipment used primarily in the chemical, pharmaceutical and allied industries. The Company also manufactures flouro-polymer products and other chemical process equipment such as agitated nutsche filters, filter driers, wiped film evaporators and mixing systems.

The consolidated financial statements comprises the financial statements of the Parent Company GMM Pfaudler Limited and its subsidiary companies (together referred to as "Group").

The subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of Company	Country of Incorporation	% of Holding	
			Current Year	Previous Year
1	Karamsad Investments Ltd. (up to August 11, 2018)*	India	100%	100%
2	Karamsad Holdings Ltd. (up to August 11, 2018)*	India	100%	100%
3	GMM Mavag AG	Switzerland	100%	100%
4	Mavag AG (subsidiary of GMM Mavag AG)	Switzerland	100%	100%

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Holding Company i.e. year ended March 31, 2019.

*Karamsad Holding Limited (KHL) and Karamsad Investments Limited (KIL), wholly owned subsidiary of the company has applied for voluntary liquidation pursuant to the provisions of Section 59 of the Insolvency and Bankruptcy Code 2016 w.e.f. August 11, 2018.

2 STATEMENT OF COMPLIANCE

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act.

3 BASIS OF PREPERATION OF CONSOLIDATED FINANCIAL STATEMENTS

a) Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. (Refer Note no. 4.g1)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The accounting policies have been consistently applied by the Group. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the parent company's separate financial statements.

b) Functional and Presentation Currency

The consolidated financial statements are presented in Indian Rupees, which is the functional currency of the Parent Company. All the amounts are stated in the nearest rupee millions.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

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.c1)
2. Impairment of property, plant and equipment as well as intangible assets (refer note no. 4.d)
3. Provision for old and obsolete inventory (refer note no. 4.f)
4. Provision for Warranty Expense (refer note no. 4.i)
5. Employee benefits (refer note no. 4.j)
6. Expense Provisions & contingent liabilities (refer note no. 4.m)
7. Provision for Doubtful Trade Receivables (refer note no. 4.g7)
8. Valuation of deferred tax assets (refer note no. 4.n)

c) Property, Plant and Equipment and Intangible Assets

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all expenses related to the acquisition and installation of Property, Plant and Equipment which comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses.

Machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant class of assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital Work in Progress:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost comprises direct cost, related incidental expenses and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

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.

c1) 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

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

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

d) 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.

e) 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.

f) Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined on the weighted average method and is net of tax credits and after providing for obsolescence and other losses. Cost includes all charges in bringing the goods to their existing location and conditions, including various tax levies (other than those subsequently recoverable from the tax authorities), transit insurance and receiving charges. Cost of work-in-progress and finished goods include cost of direct materials consumed, labour cost and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realizable value is the contracted selling value less the estimated costs of completion and the estimated costs necessary to make the sales.

g) Financial Instruments

g1) 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.

g2) 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.

g3) 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.

g4) 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.

g5) 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.

g6) 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.

g7) Impairment of financial assets

At each balance sheet date, the Group assesses whether a financial asset is to be impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Group measures the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the group measures the loss allowance for financial assets at an amount equal to 12-month expected credit losses. The Group uses both forward-looking and historical information to determine whether a significant increase in credit risk has occurred.

h) Revenue Recognition

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers", using the Full retrospective transition method, applied to contracts that were not completed as of April 1, 2018.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, acceptance of delivery by the customer, etc.

In respect of fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. The said measurement is carried considering the surveys of performance completed to date and appraisals of results achieved.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and Performance penalty, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Unbilled Revenues are recognised when there is excess of revenue earned over billings on contracts.

Other Income:

Dividend income is recognized when the right to receive the same is established.

Interest income is recognized on accrual basis.

i) 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.

j) Employee Benefits

Employee benefits include provident fund, superannuation fund, family pension fund, gratuity fund and compensated absences.

Defined contribution plans

The Group's contribution to provident fund, family pension fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund and pension fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit & loss. Past service cost is recognised in statement of profit & loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- 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

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

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.

k) Operating Expenses

Operating Expenses are charged to statement of Profit and Loss on accrual basis.

l) Leases

Lease arrangements where the risks & rewards incident to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

m) 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 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.

n) Taxation

Tax expense comprise of current and deferred tax. Current income tax comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in jurisdictions where such operations are domiciled.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Any deferred tax asset or liability arising from deductible or taxable temporary differences in respect of unrealized intercompany profit or loss on inventories held by the Group in different tax jurisdictions is recognised using the tax rate of jurisdiction in which such inventories are held.

Current and deferred tax are recognised in statement of profit & loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income Tax Act regulation are recognized in statement of changes in equity as part of associated dividend payment.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the Group intends to settle the asset and liability on a net basis. The Group offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

o) 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment assets include all operating assets used by the business segments and consist principally of property plant and equipment, intangible assets, debtors and inventories. Segment liabilities include the operating liabilities that result from operating activities of the business segment. Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

p) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

q) Operating Cycle:

All assets and liabilities have been classified as current or non-current as per the 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.

r) Research and development expenses:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipments.

s) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

t) New and amended standards adopted by the Group:

The Group has applied the following standards and amendments for the first time for annual reporting period commencing from April 01, 2018.

Ind AS 115 - Revenue from Contracts with Customers:

The core principle of the standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied only to contracts that are not completed as at the date of initial application and the comparatives are not restated. The adoption of the standard does not have any material impact to the financial statements of the Company.

Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates.

The Appendix B to Ind AS 21 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- The beginning of the reporting period in which the entity first applies the Appendix, or
- The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

The interpretation does not have any impact on the Company's financial statements.

Amendment to Ind AS 12, Income Taxes

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

Ind AS 112, Disclosure of Interest in Other Entities

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

5 CHANGES IN ACCOUNTING STANDARDS AND OTHER RECENT ACCOUNTING PRONOUNCEMENTS

Ind AS 116, Leases

The Ministry of Corporate Affairs has notified the Ind AS 116, Leases which will be effective from April 1, 2019. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Group is currently evaluating the requirements of Ind AS 116 on the financial statements. The Group believes that the definition of lease under Ind AS 116 would not significantly change the scope of contracts that meet the definition of a lease.

Amendment to Ind AS 12 'Income Taxes'

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019. The Group is evaluating the effect of the above in the financial statements.

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

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019. The Group is evaluating the effect of the above in the financial statements.

Amendment to Ind AS 19 'Employee Benefits'

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019. The Group is evaluating the effect of the above in the financial statements.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

6 PROPERTY, PLANT & EQUIPMENT

₹ in Million

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

₹ in Million

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As on April 1, 2017	Additions	Deductions	As on March 31, 2018	Upto April 1, 2017	For the Year	On Deductions	Upto March 31, 2018	As on March 31, 2018
Freehold Land	2.32	-	-	2.32	-	-	-	-	2.32
Leasehold Improvement	18.02	1.88	-	19.90	1.37	1.41	-	2.78	17.12
Buildings	206.95	13.04	-	219.99	6.71	7.88	-	14.59	205.40
Plant & Machineries	247.63	124.22	0.92	370.93	45.32	57.83	0.90	102.25	268.68
Office Equipment	20.76	9.38	0.22	29.92	5.20	6.96	0.19	11.97	17.95
Furniture & Fixtures	11.27	1.17	-	12.44	2.35	2.95	-	5.30	7.14
Vehicles	38.40	39.03	5.40	72.03	10.59	11.52	2.82	19.29	52.74
Total	**545.35**	**188.72**	**6.54**	**727.53**	**71.54**	**88.55**	**3.91**	**156.18**	**571.35**

7 INTANGIBLE ASSETS

₹ in Million

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

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

₹ in Million

CLASS OF ASSETS	GROSS BLOCK (at Deemed Cost)				AMORTISATION				NET BLOCK
	As on April 1, 2017	Additions	Dedu-ctions	As on March 31, 2018	Upto April 1, 2017	For the Year	On Dedu-ctions	Upto March 31, 2018	As on March 31, 2018
Computer Software	32.68	2.05	-	34.73	9.66	9.34	-	19.00	15.73
Technical Knowhow	1.03	-	-	1.03	1.03	-	-	1.03	-
Total	**33.71**	**2.05**	**-**	**35.76**	**10.69**	**9.34**	**-**	**20.03**	**15.73**

Notes:

a) There are no adjustment to fixed assets on account of borrowing cost and exchange differences during the year.

Depreciation and amortisation expense

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of Property, plant and equipment	94.12	88.55
Amortisation of intangible assets	15.62	9.34
Total depreciation and amortisation expense	**109.74**	**97.89**

8 INVESTMENTS

(i) Non Current

₹ in Million

	Face value (₹)	Qty	Amount	Qty	Amount
		As at March 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018
Shares in Co-operative Societies (unquoted) (at Fair Value)					
Charotar Gas Sahakari Mandli Ltd.	500.00	10	0.01	10	0.01
			0.01		0.01
Other Investments (at Fair Value)					
Equity Shares (quoted)					
Futura Polyster Ltd	10.00	100	-	100	-
GHCL	10.00	-	-	100	0.03
Skyline Millars Ltd	1.00	-	-	1,406,000	3.94
			-		3.97
Government Securities (quoted) (at Fair Value)					
Indian Railway Finanace Corp. Bonds	1,000.00	4,350	4.70	4,350	4.77
Total Investments			**4.71**		**8.75**
Aggregate amount of quoted investments			4.70		8.74
Aggregate amount of unquoted investments			0.01		0.01

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(ii) Current

₹ in Million

	Face value	No. of Units As at March 31, 2019	Amount As at March 31, 2019	No. of Units As at March 31, 2018	Amount As at March 31, 2018
In Units of mutual Funds, (Unquoted) (at Fair Value)					
HDFC Corporate Debt Opportunities Fund - Regular - Growth	10.00		-	3,724,744	53.68
Aditya Birla Sun Life Credit Risk Fund - Gr. Regular (formerly known as Aditya Birla Sun Life Corporate Bond)	10.00	5,047,117	68.99	6,033,447	78.08
Birla Sun Life Cash Manager - Growth	10.00	-	-	2,911	1.21
ICICI Prudential Short term - Growth Option	10.00	1 ,369,318	52.88	1,369,318	49.56
Tata Short Term Bond Fund Regular Plan - Growth	10.00	1 ,358,581	44.11	1,358,581	43.87
Birla Sun Life Short Term Opportunity fund Regular Plan - Growth	10.00	3 ,097,541	95.71	3,097,541	89.38
HDFC Short Term Plan - Growth	10.00	-	-	942,948	32.47
Reliance Strategic Debt Fund - Growth Plan	10.00	5,777,592	84.95	5,777,592	80.96
L&T Credit Risk Fund - Growth	10.00	2,507,165	52.85	2,507,165	49.91
IDFC Money Manager Fund Daily Dividend - (Regular Plan) (formerly known as IDFC Money Manager Fund- Treasury Plan- Daily Dividend - (Regular Plan)	10.00	1,340,723	13.54	8,767	0.09
Aditya Birla Sun Life Money Manager Fund Gr. (formerly known as Birla Sun Life Floating Rate Fund STP Growth)	10.00	76,634	19.19	76,634	17.71
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan (formerly known as Aditya Birla Sun Life Cash Plus)	10.00	132,962	39.76	-	-
			471.98		**496.92**

Category wise classification of investments - as per Ind AS 109

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Fianancial assets carried at fair value through profit or loss (FVTPL)		
i) Mandatorily measured at FVTPL (Investment in growth mutual fund)	471.98	496.92
ii) Designated as at FVTPL (Investment in equity instruments and government securities)	4.71	8.75
	476.69	**505.67**

9 LOANS

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Current		
(Unsecured)		
Loans to related party (Refer Note : 39)	79.07	1.19
Loans to employees	0.66	1.54
	79.73	**2.73**

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

10 OTHER FINANCIAL ASSETS

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Non Current		
Security Deposits (including considered doubtful as at 31.03.19 ₹ 0.69 million and as at 31.03.18 ₹ 0.69 million)	16.59	9.16
Less : Provision for doubtful security deposits	0.69	(0.69)
	15.90	**8.47**
Margin Money Deposit with Bank for more than twelve months maturity (lodged against bank guarantee and letter of credit)	3.97	-
Fixed Deposits with Bank for more than twelve months maturity	-	4.30
	19.87	**12.77**
(ii) Current		
Accured income	1.74	0.79
Unbilled Revenue (Net of Advance from Customers)	234.27	375.63
	236.01	**376.42**

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Contracts in Progress at the end of reporting Period		
1. Contract Revenue Recognised as per Percentage of Completion Method	(70.32)	313.77
2. Cotract Cost Incurred upto the reporting date	(96.00)	270.00
3. Recognised Profit (1-2)	**(25.68)**	**43.77**
4. Progress billings	-	-
Balance at the end of the year		
5. Recognised and Included in Financial Statements as amounts due:		
(i) Amounts due from Customers under construction contracts	289.11	410.19
(ii) Amounts due to Customers under construction contracts	-	-
6. Retentions held by customer		
7. Advances received from customers	105.60	34.56

11 OTHER ASSETS

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Non Current		
Capital Advances	32.66	2.09
Balances with indirect tax authorities	3.05	3.32
	35.71	**5.41**
(ii) Current		
Balances with indirect tax authorities	25.77	21.54
Prepaid expenses	17.04	34.67
Advance to suppliers	6.40	10.49
Employee Advances	0.41	1.71
Export benefit receivable	1.22	-
Others	26.22	9.28
	77.06	**77.69**

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

12 INVENTORIES

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
(Valued at lower of cost or net realisable value)		
Raw materials (including in transit as at 31.03.19 ₹ 8.25 million and as at 31.03.18 ₹ 1.88 million)	498.60	362.59
Work-in-progress	548.73	434.06
Finished goods (including in transit as at 31.03.19 ₹ 2.90 million and as at 31.03.18 ₹ nil)	67.57	130.86
Stores and spares	39.65	28.90
	1,154.55	**956.41**

13 TRADE RECEIVABLES

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured		
Considered good	672.05	505.29
Considered doubtful	65.72	55.97
Trade Receivable which have significant increase in Credit risk	-	-
Trade Receivable - credit impaired	-	-
	737.77	**561.26**
Less : Allowance for doubtful debts	65.72	55.97
	672.05	**505.29**

Movement in the expected credit loss allowance

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Balance at beginning of the year	55.97	59.42
Add: Provision made during the year	35.00	6.57
Less: Provision used during the year	25.33	10.18
Add/(Less): Exchange difference on restatement of Provision	0.08	0.16
Balance at the end of the year	65.72	55.97

14 CASH AND BANK BALANCES

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and Cash Equivalents		
Balances with banks		
- In current accounts	578.56	570.28
- In deposit accounts with maturity less than three months	175.00	90.67
Cash and stamps on hand	0.60	4.71
	754.16	**665.66**
Other Bank Balances		
- Margin money deposits (lodged against bank guarantee and letter of credit)	1.37	-
- In unpaid dividend accounts - Earmarked balances	2.46	2.23
	3.83	**2.23**

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

15 EQUITY SHARE CAPITAL

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
25,000,000 (PY 25,000,000) Equity shares of ₹ 2/- each	50.00	50.00
Issued, Subscribed and Paid-up		
14,617,500 (PY 14,617,500) Equity shares of ₹ 2/- each fully paid up	29.23	29.23
TOTAL	**29.23**	**29.23**

a Reconciliation of equity shares outstanding at the beginning and end of the reporting year

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Equity Shares:		
At the Beginning of the year	29.23	29.23
Changes in equity share capital during the year	-	-
Balance at the end of the year	**29.23**	**29.23**

b Terms/rights attached to equity shares

The group has only one class of equity shares having a par value ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the group, the holders of equity shares will be entitled to receive remaining assets of the group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% holding	No. of Shares	% holding
Pfaudler Inc (Parent Company)	7,372,475	50.44%	7,372,475	50.44%
Skyline Millars Limited	1,625,595	11.12%	1,625,595	11.12%

d Buyback of Shares, Bonus Shares and Shares issued for Consideration other than cash.

The group has not bought back any shares, neither has it issued bonus shares nor has it issued shares for consideration other than cash in the past five years.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

16 OTHER EQUITY

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Reserve		
Balance at the beginning of the year	0.02	0.02
Movement during the year	-	-
Balance at the end of the year	**0.02**	**0.02**
Cash Subsidy Reserve		
Balance at the beginning of the year	0.69	0.69
Movement during the year	-	-
Balance at the end of the year	**0.69**	**0.69**
Securities Premium		
Balance at the beginning of the year	149.28	149.28
Movement during the year	-	-
Balance at the end of the year	**149.28**	**149.28**
Foreign Currency Translation Reserve		
Balance at the beginning of the year	154.62	134.63
Movement during the year	12.52	19.99
Balance at the end of the year	**167.14**	**154.62**
General Reserve:		
Balance at the beginning of the year	220.84	220.84
Adjustment due to liquidation	1.48	-
Balance at the end of the year	**219.36**	**220.84**
Surplus in Statement of Profit and loss		
Balance at the beginning of the year	**1,722.82**	**1,403.49**
Add : Net Profit for the year	488.57	389.66
Less : Appropriations	-	-
Interim Dividend [Dividend Per Share ₹ 3, (Previous Year ₹ 2.1)]	43.85	30.70
Final Dividend [Dividend Per Share ₹ 1.9, (Previous Year ₹ 1.9)]	27.77	27.77
Tax on distributed profits	14.72	11.86
Transfer to General Reserve	-	-
Adjustment due to liquidation	1.49	-
Balance at the end of the year	**2,123.56**	**1,722.82**
	2,660.05	**2,248.27**

Nature and Purpose of Reserves

General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the Statement of Profit & Loss.

Securities Premium

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

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

17 DEFERRED TAX LIABILITIES

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	(37.21)	(20.06)
Deferred tax liabilities	82.41	65.29
Net Deferred Tax Liability	**45.20**	**45.23**

The deferred tax liabilities / assets are off-set, where the group has a legally enforceable right to set-off assets against liabilities, and are presented in balance sheet as follows:

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax liabilities	53.40	47.45
Deferrer Tax assets	8.20	2.22
	45.20	**45.23**

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

₹ in Million

Particulars	2018-19					2017-18				
	Opening Balance	Charged to / (Reversed from) Statement of P & L	Recognised in Other Comprehensive Income	Foreign Exchange Difference	Closing Balance	Opening Balance	Charged to / (Reversed from) Statement of P & L	Recognised in Other Comprehensive Income	Foreign Exchange Difference	Closing Balance
Deferred tax liabilities/(assets) in relation to:										
Property, Plant and Equipment	46.92	1.99	-		48.91	38.44	8.48	-		46.92
Investments classified as FVTPL	12.60	5.19	-		17.79	3.68	8.92	-		12.60
Provision for Doubtful debt	(10.17)	(2.32)	-		(12.49)	(13.81)	3.64	-		(10.17)
Warranty Provision	-	1.85	-		1.85	-	-	-		-
Provision for Employee Benefit	(7.99)	(13.35)	(3.11)	(0.27)	(24.72)	(1.29)	-	(6.43)	(0.27)	(7.99)
Unrealised Profit in Inventory	(1.90)	1.90	-		-	(0.45)	(1.45)	-		(1.90)
Other Temporary differences	5.77	7.87	-	0.22	13.86	-	5.54	-	0.23	5.77
	45.23	**3.13**	**(3.11)**	**(0.05)**	**45.20**	**26.57**	**25.13**	**(6.43)**	**(0.04)**	**45.23**

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

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

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Profit Before tax from Continuing Operations	**732.70**	**606.51**
Income Tax using the Company's domestic Tax rate #	256.03	209.90
Tax Effect of :		
- Non deductible Expenses	41.21	27.40
- Tax - Exempt income		
- Deduction on account of Expenses allowable in Tax but not claimed in book	(42.66)	(34.69)
- Tax impact on Income charged under Capital Gain	(5.15)	(1.70)
- Changes in recognised deductible temporary differences	(1.55)	24.89
- Changes in recognised deductible temporary differences due to change in tax rate	4.68	0.24
- Tax impact on notional income / expense	(5.25)	(8.70)
- Difference between Indian Tax Rate and Foreign Tax Rate	(20.42)	(37.59)
Income Tax recognised In Statement of P&L from Continuing Operations (Effective Tax Rate)	**226.89**	**179.75**

The Tax rate used for Financial Year 2018-19 and 2017-18, in reconciliation above is the corporate tax rate of 34.994% and 34.608% payable by corporate entity in India on taxable profits under the Indian Tax Law.

(b) Income Tax Expense

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current Tax:		
Current Income Tax Charge	223.76	154.62
Deferred Tax		
Deferred Tax Charge for the year	3.13	25.13
Total Tax Expense recognised in profit and loss account	**226.89**	**179.75**

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 forceable figure and has not recognised a deferred tax liability. Undistributed profits of the subsidiary to ₹ 344.99 million (31 March, 2018 ₹ 265.26 million).

18 TRADE PAYABLES

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
- Dues to Micro, Small and Medium Enterprises (Refer Note 41)	33.57	18.81
- Dues to other than Micro, Small and Medium Enterprises	605.53	589.64
	639.10	**608.45**

19 OTHER FINANCIAL LIABLITIES

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Unclaimed dividend	2.46	2.23
Payables for Capital Expenditure	14.42	27.49
Employee benefits payable	76.71	65.92
	93.59	**95.64**

The amount of Unclaimed Dividend reflects the position as at March 31, 2019. During the year, the company has transferred an amount of ₹ 0.26 Millions (Previous year ₹ 0.26 Millions) to the Investors' Education and Protection Fund in accordance with the provisions of section 125 of the Companies Act, 2013.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

20 PROVISIONS

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Provision for employee benefits (Note (i))	154.50	125.74
	154.50	**125.74**
Current		
Provision for employee benefits (Note (i))	8.57	9.30
Provision for unexpired warranty (Note (ii))	21.48	19.84
	30.05	**29.14**

Note

(i) Provision for employee benefits includes amount payable to employees on account of Gratuity , Pension and compensated absences. Movement of Provision for employee benefits is disclosed under Note 32.

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

Provision for unexpired warranty

₹ in Million

Particulars	Year ended March 31, 2019	As at March 31, 2018
Opening balance	**19.84**	**18.68**
Add: Additional provision made during the year	12.79	16.38
Add: Exchange difference on restatement of warranty provision	0.10	0.26
Less: Provision amount used during the year	11.25	15.48
Closing balance	**21.48**	**19.84**

21 CURRENT TAX LIABILITIES

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Income Tax	334.75	468.37
Advance payment of Taxes	(311.73)	(457.64)
	23.02	**10.73**

22 OTHER LIABILITIES

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Advances from customers	651.66	684.96
Statutory dues payable	9.20	9.10
	660.86	**694.06**

23 REVENUE FROM OPERATIONS

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Sale of Products	4,954.22	4,067.26
Other Operating Revenues	72.21	42.36
	5,026.43	**4,109.62**

(i) Post implimentation of Goods ans Service Tax (GST) with effect from July 1, 2017, revenue from operation is disclosed net off GST. Revenue from operations for the year ended March 31, 2018 includes excise duty upto June 30, 2017. Accordingly, revenue from operation for the year ended March 31, 2019 are not comparable to thoese of previous years presented.

(ii) Effective April 1, 2018, the Group has applied Ind AS 115 which replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied only to contracts that are not completed as at the date of initial application and the comparatives are not restated. The adoption of the standard does not have any material impact to the financial statements of the Group.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

Disaggregate Revenues from contracts with customers for the year ended March 31, 2019:

₹ in Million

Particulars	Year ended March 31, 2019	As at March 31, 2018
Revenue from Glass lined equipment	**2,850.05**	**2,185.99**
Revenue from Heavy Engineering	553.44	370.92
Revenue from Proprietary Product	1,622.94	1,552.71
	5,026.43	**4,109.62**

Reconciliation of Revenue from operations with contract price:

₹ in Million

Particulars	Year ended March 31, 2019	As at March 31, 2018
Contract Price	**5,072.90**	**4,247.60**
Less : Adjustment made to contract price on account of:		
Sales Return	26.19	67.69
Excise duty on sale of goods	-	52.63
Liqudated Damages	20.11	15.44
Discount and Rebates	0.17	2.22
	5,026.43	**4,109.62**

24 OTHER INCOME

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income (Gross)		
- Non - current investments	0.35	0.35
- Deposits with banks	4.10	5.59
- Others	0.31	4.47
Dividend Income		
- Current Investments	0.10	-
Net Gain/ (Loss) on Sale of Investments		
- Non-Current Investments	2.97	(0.02)
- Current Investments	10.06	3.35
Net Gain/ (Loss) on Investments Classified as FVTPL		
- Non-Current Investments	(2.12)	(0.20)
- Current Investments	14.91	25.34
Other non-operating income		
- Bad Debts Recovered	0.55	1.38
- Reversal of Provision for doubtful debts and advances	-	10.80
- Profit on sales of fixed assets (Net)	18.17	2.23
- Miscellaneous Income	33.93	21.97
Net gain on foreign exchange translations	1.17	18.68
Total	**84.50**	**93.94**

25 COST OF MATERIALS CONSUMED

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock of Raw Materials	391.49	362.79
Add: Purchases during the year	2,527.30	1,819.26
	2,918.79	**2,182.05**
Less: Closing stock of Raw Materials	538.25	391.49
Total	**2,380.54**	**1,790.56**

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

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

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Inventory of finished good at the beginning of the year	130.86	29.15
Inventory of work in progress at the beginning of the year	434.06	430.50
	564.92	**459.65**
Inventory of finished good at the closing of the year	67.57	130.86
Inventory of work in progress at the closing of the year	548.73	434.06
	616.30	**564.92**
	(51.38)	**(105.27)**

27 EMPLOYEE BENEFITS EXPENSE

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and Wages	651.45	565.97
Contribution to Provident and Other Funds	58.66	55.87
Staff Welfare Expenses	15.99	13.31
Total	**726.10**	**635.15**

28 FINANCE COSTS

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense	1.72	3.97
Other financial charges	10.00	6.34
Total	**11.72**	**10.31**

29 OTHER EXPENSES

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Power & Fuel	223.63	200.83
Stores & Spares Consumption	117.94	124.91
Repairs to Machinery	48.01	43.61
Repairs to Buildings	10.71	6.36
Repairs - Others	9.54	3.51
Rent	56.49	48.30
Insurance	12.27	11.30
Rates & Taxes	3.09	3.17
Royalty	24.71	17.81
Travel & Conveyance	52.22	46.19
Communication	11.71	6.05
Bad debts written off	4.75	1.93
Provision for doubtful debts and advances	7.12	-
Provision for Warranty expenses	2.40	0.90
Advertisement and sales promotion	15.91	7.40
Commission	1.96	1.95
Legal and professional fees	51.73	53.54
Freight outward	84.68	62.87
Payments to auditors	9.11	7.17
Expense on CSR activities	7.38	6.92
Miscellaneous Expenses	90.37	77.35
Total	**845.73**	**732.07**

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

30 OPERATING LEASE

The Group has entered into operating lease agreement for factory shed / office premises and certain facilities. The Group has given refundable interest free security deposit in accordance with the agreed terms. These lease agreements ranges upto 60 months from the end of the current finacial year and usually renewable by mutual consent on mutually agreed terms.

The total future minimum lease payments under operating lease are as under:

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Total Minimum lease payments		
Payable within one year	61.36	44.83
Payable later than one year and not later than five year	179.62	21.56
Payable after five years	-	-
(ii) Lease payment recognised in Statement of Profit and Loss for the year. (Refer Note : 29)	56.49	48.30

31 CONTINGENT LIABILITIES AND COMMITMENTS

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
1) Contingent Liabilities		
a) Claim against the group not acknowledged as debts		
i) Dispute relating to Excise, Service tax and Sales tax	23.36	19.54
ii) Matter decided in favour of the group where the income tax department has preferred appeals	55.04	63.41
iii) Disputed demands relating to tax against which the group has preferred appeals	11.21	10.15
Note: Against the above, the group has paid ₹ 2.97 Millions. The expected outflow will be determined at the time of final outcome in respect of concerned matter. No amount is expected to be reimbursed.		
b) Guarantee issued by bank	544.77	359.18
2) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	149.80	47.94

32 AS PER IND AS 19 "EMPLOYEE BENEFITS", THE DISCLOSURES AS DEFINED IN THE ACCOUNTING STANDARD ARE GIVEN BELOW:

Defined Contribution Plans

The Group operates defined contribution retirement benefit plans for all qualifying employees in the form of provident fund, superannuation fund, family pension fund. Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Employer's contribution to Provident Fund	10.39	9.63
Employer's contribution to Superannuation Fund	4.47	4.25
Employer's contribution to Pension Scheme	6.06	5.74

Compensated absences and earned leaves

The Group's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy.

Defined Benefit Plans

The group operates a defined benefit plan in form of gratuity plan and pension scheme covering eligible employees, which provide a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

The amounts recognized in the Group's financial statements as at the year end are as under:

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

These plans typically expose the group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on planned asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan liability.

In respect of the plan, the most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at March 31,2019. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

The amounts recognized in the Group's financial statements as at the year end are as under:

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Pension Scheme		
Assumptions :		
Discount Rate	0.55%	0.80%
Salary Increase	1.00%	1.00%
Inflation Rate	1.00%	1.00%
Interest on Old age Account	0.55%	0.80%
Lump sum Payments at retirement	30.00%	30.00%
Mortality Rates	BVG 2015GT	BVG 2015GT
Disability Rates	BVG 2015	BVG 2015
Reconciliation of Funded Status :		
Present Value of funded obligation	726.09	620.19
Plan Assets at fair value	(571.59)	(494.45)
Under / (Over) funding :	154.50	125.74
Present value of unfunded obligation	-	-
Asset not available to Group	-	-
Net Liability / (asset)	**154.50**	**125.74**

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

Net Liability reduced due to risk sharing	**28.99**	**29.40**
Major Asset Categories :		
Qualified Insurance Policy	-	484.99
Equities	17.15	-
Bonds	257.18	-
Real Estate	108.59	-
Alternative Investment	34.29	-
Cash	91.52	9.46
Others	62.86	
Total	**571.59**	**494.45**
Components of the Defind Benefit Obligation :		
Defined benefit obligation for active employee	610.58	522.63
Defined benefit obligation for vested terminations		
Defined benefit obligation for vested pensioners	115.51	97.56
Total	**726.09**	**620.19**
Projected Contribution for next year	16.89	14.94
Expenses Recognized :		
In Profit & Loss	23.51	13.58
In Other Comprehensive Income	19.45	40.18
	42.96	**53.76**

Sensitivity analysis for each significant actuarial assumption as at March 31, 2019

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in Million

Particulars	March 31, 2019
Projected Benefit obligation on current assumption	
Impact of increase in discount rate by 0.25%	(28.12)
Impact of decrease in discount rate by 0.25%	30.25
Impact of increase in salary escalation rate by 0.5%	3.78
Impact of decrease in salary escalation rate by 0.5%	**(3.67)**

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

32 AS PER IND AS 19 "EMPLOYEE BENEFITS", THE DISCLOSURES AS DEFINED IN THE ACCOUNTING STANDARD ARE GIVEN BELOW: (CONTD.)

₹ in Million

		Gratuity (Funded)		Compensated Absences (Funded)	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
a	**Assumptions :**				
	Discount Rate	7.79%	7.87%	7.79%	7.87%
	Rate of Return on Plan Assets	7.79%	7.87%	7.79%	7.87%
	Salary Escalation	6.0%	6.0%	6.0%	6.0%
	Mortality	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08
	Average Past Service	6.46 Years	6.89 Years	6.89 Years	6.89 Years
	Average Age	36.10 Years	36.04 Years	36.04 Years	36.04 Years
	Rate of Employee Turnover	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a.	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a.	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a.	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a.
		Ultimate Table	**Ultimate Table**	**Ultimate Table**	**Ultimate Table**
b	**Table showing changes in Present value of defined benefit obligation:**				
	Liability at the beginning of the year	47.12	45.54	18.56	13.09
	Interest cost	3.71	3.42	1.46	0.98
	Current service cost	4.19	2.81	1.68	2.05
	Benefit paid	(2.82)	(7.40)	(1.92)	(4.55)
	Actuarial (gains) and loss arising from changes in demographic assumptions	-	(0.19)	-	(0.21)
	Actuarial (gains) and loss arising from changes in financial assumptions	0.40	(1.60)	0.20	(0.78)
	Actuarial (gains) and loss arising from experience adjustments	(0.10)	4.54	1.24	7.98
	Liability at the end of the year	**52.50**	**47.12**	**21.22**	**18.56**
c	**Change in Plan Assets:**				
	Fair value of Plan Assets at the beginning of the year	41.22	44.41	15.26	16.75
	Expected Return on Plan Assets	3.24	3.34	1.20	1.26
	Contributions	6.79	1.47	2.99	0.06
	Benefit Paid	(2.82)	(7.40)	(1.92)	(2.57)
	Actuarial gain / (loss) on Plan Assets	(0.60)	(0.60)	(0.21)	(0.24)
	Fair value of Plan Assets at the end of the year	**47.83**	**41.22**	**17.32**	**15.26**
d	**Actual Return on Plan Assets:**				
	Expected Return on Plan Assets	3.24	3.34	1.20	1.26
	Actuarial gain on Plan Assets	(0.60)	(0.60)	(0.21)	(0.24)
	Actual Return on Plan Assets	**2.64**	**2.74**	**0.99**	**1.02**
e	**Amount Recognized in the Balance Sheet:**				
	Present value of Funded defined benefit obligation at the end of the year	52.50	47.12	21.22	18.56
	Fair value of Plan Assets at the end of the year	47.83	41.22	17.32	15.26
	Net (Liability)/Asset Recognized in the Balance Sheet	**(4.67)**	**(5.90)**	**(3.90)**	**(3.30)**
f	**Expenses Recognized in the Statement of Profit & Loss :**				

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

32 AS PER IND AS 19 "EMPLOYEE BENEFITS", THE DISCLOSURES AS DEFINED IN THE ACCOUNTING STANDARD ARE GIVEN BELOW: (CONTD.)

₹ in Million

		Gratuity (Funded)		Compensated Absences (Funded)	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Current Service cost	4.19	2.81	1.68	2.05
	Interest Cost	0.47	0.08	0.26	(0.28)
	Net Actuarial (gain) / loss to be recognized	0.90	3.35	1.65	7.23
	Expense / (Income) Recognized in Statement of Profit & Loss	**5.56**	**6.24**	**3.59**	**9.00**
g	**Balance Sheet Reconciliation:**				
	Opening Net Liability	5.90	1.13	3.30	(3.66)
	Expenses recognised in Statement of Profit & Loss	4.66	2.89	3.59	9.00
	Expenses recognised in OCI	0.90	3.35	-	-
	Employers Contribution	(6.79)	(1.47)	(2.99)	(2.04)
	Net Liability / (Assets) Recognized in Balance Sheet	**4.67**	**5.90**	**3.90**	**3.30**
h	**Other Details:**				
	Gratuity is payable at the rate of 15 days salary for each year of service Salary escalation is considered as advised by the Company which is in line with the industry practice considering promotion and demand and supply of the employees.				
i	**Experience Adjustment**				
	Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.10)	4.54	1.24	7.98
	Actuarial (Gains)/Losses on Plan Assets - Due to Experience	0.60	0.60	(0.21)	0.24
j	**Projected Contribution for next year**	9.26	10.08	5.87	4.99
k	**Sensitivity analysis for each significant actuarial assumption**				

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Projected Benefit obligation on current assumption	52.49	47.11
Impact of increase in discount rate by 1%	(4.58)	(4.10)
Impact of decrease in discount rate by 1%	5.44	4.84
Impact of increase in salary escalation rate by 1%	5.48	4.89
Impact of decrease in salary escalation rate by 1%	(4.69)	(4.20)
Impact of increase in rate of employee turnover by 1%	0.79	0.72
Impact of decrease in rate of employee turnover by 1%	(0.91)	(0.83)

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

l Investment details of plan assets

The Plan assets are managed by Insurance group viz. Life Insurance Corporation of India which has invested the funds substantially as under :

Particulars ₹ in Million

	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Insurance Fund	47.83	41.22	17.32	15.26
Total	**47.83**	**41.22**	**17.32**	**15.26**

m Maturity Profile

₹ in Million

Particulars	Gratuity	
	March 31, 2019	March 31, 2018
1st Following Year	8.09	3.72
2nd Following Year	1.16	1.45
3rd Following Year	5.07	6.62
4th Following Year	3.08	4.81
5th Following Year	2.33	2.95
Sum of Years 6 to 10	19.69	13.55
Sum of Years 11 and above	103.21	94.55

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.

33 FINANCIAL INSTRUMENTS :

33.1 Capital Management

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

The group is zero debt group and its capital structure consists of own equity only. Hence, Gearing Ratio of the group for the year ended 31.03.19 as well as 31.03.18 comes to NIL.

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

33.2 Categories of Financial Instruments :

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured		
(i) Investment in Growth mutual fund	471.98	496.92
(b) Designated as at FVTPL		
(i) Investment in equity instruments	4.71	8.75
Measured at amortised cost		
(a) Cash and bank balances	757.99	667.89
(b) Other financial assets at amortised cost		
(i) Trade Receivables	672.05	505.29
(ii) Loans	79.73	2.73
(iii) Others	255.88	389.19
Financial liabilities		
Measured at amortised cost		
Trade Payables	639.10	608.45
Others	93.59	95.64

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

33.3 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.

33.3.1 MARKET RISK MANAGEMENT

Market risk refers to the possibility that changes in the market rates may have impact on the group's profits or the value of its holding of financial instruments. The group is exposed to market risks on account of foreign exchange rates, interest rates and underlying investment prices.

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and investment prices.

(a) Foreign currency exchange rate risk:

The group's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the group.

Since a major part of the group's revenue and its costs are in Indian Rupees , any movement in currency rates would not have major impact on the group's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The carrying amount of Foreign Currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

₹ in Million

Particulars	Currency	(Liabilities)/Assets as at	
		March 31, 2019	March 31, 2018
Trade Payable (Net of advances)*	USD	(0.68)	0.42
(a) Mandatorily measured	EUR	(3.05)	(3.89)
(b) Other financial assets at amortised cost	JPY	-	(13.09)
	GBP	(0.00)	-
Cash & Cash Equivalents**	USD	16.60	0.00
	EUR	10.97	0.00
Trade Receivable (Net of advances)	USD	2.08	7.92
	EUR	12.93	34.95

* The value of INR equivalent to GBP is 197

** The value of INR equivalent to USD is 129 and to EUR is 1,575 in previous year.

With respect to the Company's financial instruments (as given above), a 5% increase / decrease in relation to foreign currency rate on the underlying would have resulted in increase /decrease of ₹ 1.94 million (₹ 1.32 million) in the Company's net profit for the year ended March 31, 2019 and March 31, 2018 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 does not have any outstanding borrowings at the end of any reporting period and hence group is not subject to any interest rate risk.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

33.3.1 FINANCIAL RISK MANAGEMENT OBJECTIVES (CONTD.)

(c) Other price risk

The group is exposed to price risks arising from its investments which are held for strategic as well as trading purposes.

The sensitivity analysis have been determined based on the exposure to price risks for Investments in equity shares of other companies and mutual funds at the end of the reporting period.

If prices had been 5% higher/lower:

Profit for the year ended 31 March, 2019 would increase/decrease by ₹ 23.83 millions (for the year ended March 31, 2018 by ₹ 25.28 millions) as a result of the change in fair value of investments.

33.3.2 CREDIT RISK MANAGEMENT:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables.

All trade receivables are subject to credit risk exposure. The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. The group does not have significant concentration of credit risk related to trade receivables except the details given below for the customers contribute to more than 5% of total outstanding accounts receivable as at any reporting period end.

Customer Name	Year ended March 31, 2019		Year ended March 31, 2018	
	% of total receivables	(Amount in ₹)	% of total receivables	(Amount in ₹)
Deccan Fine Chemicals (I) Pvt. Ltd.	10.86%	62,558,728	14.38%	67,875,692
Toyo Engineering India Ltd.	1.99%	11,442,171	8.76%	41,346,914
MSN Laboratories Private Limited	7.55%	43,467,932	0.85%	4,013,497
Divi's Laboratories Limited	5.91%	34,063,934	2.28%	10,774,893

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 2242.34 millions and ₹ 2070.77 millions as at March 31, 2019 and March 31, 2018 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.

33.3.3 LIQUIDITY RISK MANAGEMENT:

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The table below include only principal cash flows in relation to non-derivative financial liabilities.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

33.3 LIQUIDITY RISK MANAGEMENT (contd.)

₹ in Million

Particulars	Up to 1 Year	1 to 5 years	5 years and above
As at March 31, 2019			
Trade payable	639.10	-	-
Other Financial Liabilities	93.59	-	-
Total	**732.69**	**-**	**-**
As at March 31, 2018			
Trade payable	608.45	-	-
Other Financial Liabilities	95.64	-	-
Total	**704.09**	**-**	**-**

The following table details the group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

₹ in Million

Particulars	Less than 1 month	1 to 5 years	5 years and above
March 31, 2019			
Current Investments	471.98	-	-
Trade receivables	672.05	-	-
Cash & Cash equivalents	754.16	-	-
Bank balances other than above	3.83	-	-
Current Financial assets-Loans	79.73	-	-
Other Financial Assets	236.01	-	-
Non current Investments	-	4.71	-
Non current Financial assets - Loans	-	-	-
Other Non current Financial assets	-	19.87	-
Total	**2,217.76**	**24.58**	-
March 31, 2018			
Current Investments	496.92	-	-
Trade receivables	505.29	-	-
Cash & Cash equivalents	665.66	-	-
Bank balances other than above	2.23	-	-
Current Financial assets-Loans	2.73	-	-
Other Financial Assets	376.42	-	-
Non current Investments		8.75	-
Non current Financial assets - Loans		-	-
Other Non current Financial assets		4.55	8.22
Total	**2,049.26**	**13.30**	**8.22**

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

34 FAIR VALUE MEASUREMENTS

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

Fair Value of the group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Financial Assets / financial liabilities	Fair Value as at			
	March 31, 2019	March 31, 2018	Fair Value hierarchy	Valuation technique(s) and key input(s)
1. Investments in Mutual Funds (Note 8)	471.98	496.92	Level 1	Quoted bid prices in an active market
2. Investments in equity instruments (Quoted) (Note 8)	-	3.97	Level 1	Quoted bid prices in an active market
3. Investments in equity instruments (Unquoted) (Note 8)	0.01	0.01	Level 3	Net asset approach - value per equity share of investment is derived by dividing net assets of group with total no. of equity shares issued by the group
4. Investments in Government Securities (Quoted) (Note 8)	4.70	4.77	Level 1	Quoted bid prices in an active market

Note 1: Significant unobservable inputs for Financial Instruments classified under "Level - 3" Fair Value hierarcy are Net Assets of the investee group as on the date of Fair Valuation.

Note 2: Reconciliation of Level 3 fair value measurements

₹ in Million

Particulars	Unlisted Equity Instrument
Opening Balance as at April 1, 2017	0.01
Total Gain/(Loss) in statement of Profit and Loss	-
Closing Balance as at March 31, 2018	**0.01**
Total Gain/(Loss) in statement of Profit and Loss	-
Closing Balance as at March 31, 2019	**0.01**

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

35 RELATED PARTY DISCLOSURES

(I) List of Related parties

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

35 RELATED PARTY DISCLOSURES (CONTD.)

(II) Transactions with related parties

₹ in Million

Transaction	Holding Company		Fellow Subsidiaries		Key Management Personnel		Relative of Key Management Personnel		Other Related Parties	
	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Purchase of goods	20.35	0.61	46.92	10.49	-	-	-	-	6.95	7.57
Sale of goods	150.29	1.24	129.24	74.59	-	-	-	-	-	-
Services received	0.76	1.11	0.11	0.14	-	-	-	-	0.65	0.48
Services provided	-	-	0.22	-	-	-	-	-	-	-
Royalty	24.71	17.81	-	-	-	-	-	-	-	-
Lease Rent paid	-	-	-	-	-	-	-	-	44.80	34.20
Remuneration	-	-	-	-	54.28	38.77	12.00	10.07	-	-
Dividend paid	36.13	29.50	-	-	0.86	0.70	3.91	3.20	2.60	2.12
Directors Sitting Fees	-	-	-	-	1.70	1.90	-	-	-	-
Loan Given	-	-	79.07	-	-	-	-	-	-	-
Advance Received	35.24	13.15	3.09	-	-	-	-	-	-	-
Commission Payment	-	0.18	-	1.92	-	-	-	-		
Repayment of Loan	-	-	-	90.18	1.19	2.94	-	-	-	-
Balance outstanding#										
Payables	21.85	29.09	9.59	1.97	27.48	12.60	-	-	0.09	2.94
Receivables	8.38	-	44.26	31.02	-	1.19	-	-	-	-
Loan Given	-	-	79.07	-	-	-	-	-	-	-
Advance Received	35.24	13.15	3.09	-	-	-	-	-	-	-
Deposit outstanding	-	-	-	-	-	-	-	-	21.80	27.73

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

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

35 RELATED PARTY DISCLOSURES (CONTD.)

(III) Significant Related Party Transactions are as under:

₹ in Million

Nature of transactions	Name of Party	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of goods	Pfaudler GmbH	30.80	4.97
	Pfaudler Inc.	20.35	1.72
	Oerlikon Textile India Pvt. Ltd	6.95	7.57
	Pfaudler s.r.l.	4.37	1.64
	Pfaudler Interseal GmbH	8.73	-
Sale of goods	Pfaudler GmbH	35.23	24.27
	Suzoh Pfaudler Glass Lined Equipment Co. Ltd	31.06	31.34
	Pfaudler Inc.	150.29	-
	Pfaudler Limited	26.71	
Services received	Pfaudler Inc.	0.76	1.11
	Oerlikon Textile India Pvt. Ltd.	0.65	-
Services provided	Pfaudler GMBH	0.22	-
Lease rent paid	Ready Mix Concrete Ltd.	32.51	33.19
	J V Patel & Co.	11.21	-
Royalty	Pfaudler Inc.	-	17.81
Remuneration paid	Mr. Ashok Pillai	10.71	9.45
	Mr. Tarak A. Patel	33.65	20.27
	Mr. Ashok Patel	12.00	10.07
	Mr. Jugal Sahu	7.93	7.25
Dividend paid	Pfaudler Inc.	36.13	29.50
Repayment of Loan	Mr. Ashok Pillai	-	2.94
Balances outstanding as on March 31, 2019			
Payables	Pfaudler GMBH	7.24	-
	Pfaudler Inc.	21.85	29.09
Receivables	Pfaudler GmbH	-	23.37
	Pfaudler s.r.l.	16.85	5.89
	Suzhou Pfaudler Glass Lined Equipment Co. Ltd.	27.37	-
	Pfaudler Inc.	8.38	-
Advance Received against order	Pfaudler Inc.	35.24	-
Loan Given	Pfaudler GMBH	79.07	-
Deposit outstanding	Ready Mix Concrete Ltd.	10.40	27.73
	J V Patel & Co.	11.40	-
Key Managerial Personal			
Receivable	Mr. Ashok Pillai	-	1.19
Payable	Mr. Tarak A. Patel	22.92	9.92
	Mr. Ashok Pillai	3.00	1.14
	Mr. Jugal Sahu	1.39	1.29

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short-term employee benefits	53.25	36.05
Post-employment benefits	2.62	4.51
Other long-term benefits	0.11	0.11
Termination benefits	-	-
Share-based payment	-	-
Total	**55.98**	**40.67**

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, 2019 (Contd.)

36 SEGMENT REPORTING

(a) Primary Segment reporting by Business Segment

₹ in Million

Particulars	Glasslined Equipment		Heavy Engineering		Proprietary Product		Total	
Year Ended	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue :								
Total External Sales	2,850.05	2,185.99	553.44	370.92	1,622.94	1,552.71	5,026.43	4,109.62
Segment Results:								
Profit/(Loss) Before Tax and Interest	556.04	429.54	64.21	40.29	197.97	205.57	818.22	675.40
Unallocated Expense(Net)							78.56	68.99
Add: Interest Income							4.76	10.41
Less: Interest Expense							11.72	10.31
Profit/(Loss) Before Tax							732.70	606.51
Taxes							226.89	179.75
Net Profit After Tax							505.81	426.76
Segment Assets	1,449.68	1,310.55	424.53	251.99	1,359.89	1,329.95	3,234.10	2,892.49
Unallocated Assets							1,109.70	996.22
Total Assets							4,343.80	3,888.71
Segment Liabilities	795.18	640.91	153.29	98.19	625.40	806.96	1,573.87	1,546.06
Unallocated Liabilities							80.65	65.15
Total Liabilities							1,654.52	1,611.21
Capital Expenditure	118.24	128.39	19.26	3.40	26.65	36.51	164.15	168.30
Unallocated Capital Expenditure							15.87	69.12
Depreciation	70.57	56.00	10.06	8.36	22.20	28.73	102.83	93.09
Unallocated Depreciation							6.91	4.81

Notes

1) Considering the nature of the Group's business and operations, as well as based on reviews performed by Chief operating decision maker regarding resource allocation and performance management, the Group has classified Glass lined Equipment, Heavy Engineering and Proprietary Products as reportable segments in accordance with the requirements of Ind AS 108 – "Operating segments".

2) Segment revenue, results, assets and liabilities include amounts that are directly attributable to the respective segments. Amounts not directly attributable have been allocated to the segments on the best judgment of the management in the absence of detailed internal financial reporting system. Expenses not directly allocable to the segments are treated as "Unallocated Expenses".

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

Entity wide Disclosure

(i) Non-current operating assets:

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
India	738.27	660.31
Others	-	-
Total	**738.27**	**660.31**

(ii) Geographic information

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Revenue from external customers		
India	3,733.68	2,898.62
Outside India	1,292.75	1,211.00
Total revenue	**5,026.43**	**4,109.62**

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

37 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 ₹ 7.31 million is as follows:

₹ in Million

Sr. No.	Sector / Activity Identified	CSR Project	Location	Implementing Agency	Budget	Amount Spent
1.	Hospital / Rural Healthcare	Contribution for promoting rural healthcare	Karamsad, Gujarat	Charutar Arogya Mandal	2.80	2.80
2.	Skill Development	Contribution to J V Patel ITI	Karamsad, Gujarat	J V Patel ITI	1.45	2.24
3.	Environment Sustainability	Contribution to Sardar Patel Trust	Karamsad, Gujarat	Sardar Patel Trust	0.64	0.64
4.	Environment Sustainability	Contribution to Reefwatch Marine Conservation	Andaman - Nicobar Island, India	Reefwatch Marine Conservation	1.00	1.00
5.	Social Awarness	Contribution to Kerala relief fund	Thiruvanathapu ram (Kerala)	Chief Minister Distress Relief Fund (CMDRF)	0.20	0.20
6.	Social Awareness	Contribution to Magic Bus	Mumbai, Maharashtra	Magic Bus India Foundation	0.50	0.50
				Total	**6.59**	**7.38**

38 RESEARCH AND DEVELOPMENT EXPENSES

Break-up of research and development expenses included in statement of profit and loss under below heads:

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Material Cost	0.24	1.04
Employee benefits expenses	11.90	8.13
Other expenses:	-	-
Labour Charges Paid to Subcontractors	2.20	1.76
Depreciation	0.10	0.09
	14.44	**11.02**

39 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013

Details of loans given

₹ in Million

Sr. No.	Name of the Party	As at March 31, 2018	As at March 31, 2017
1.	Mr. Ashok Pillai	-	1.19

40 EARNING PER SHARE

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a) Net profit for the year available to equity shareholders after Tax in ₹ Millions'	505.81	426.76
b) Weighted average number of Equity Shares during the year	14,617,500	14,67,500
c) Face value of Equity Share in ₹	2	2
d) Basic and diluted earnings per share (₹)	34.60	29.20

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

41 DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2018-19, TO THE EXTENT THE GROUP HAS RECEIVED INTIMATION FROM THE "SUPPLIERS" REGARDING THEIR STATUS UNDER THE ACT.

₹ in Million

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(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	0.09	7.06
	Interest due on above	-	-
(ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

42 ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTERPRISES CONSOLIDATED AS SUBSIDIARIES

(a) As at and for the year ended March 31, 2019

₹ in Million

Sr. No.	Name of Entity	Net Asset i.e total assets minus total liablities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Holding Co.	As % of Conso-lidated net asset	(₹ in Millions)	As % of Conso-lidated net asset	(₹ in Millions)	As % of Consolidated other compre-hensive Income	(₹ in Millions)	As % of Conso-lidated profit or loss	(₹ in Millions)
	GMM Pfaudler Limited	80.95	2,177.16	80.34	406.36	19.03	(0.90)	80.91	405.46
	Subsidiaries								
	Indian-								
1	Karamsad Holding Ltd.	-	-	(0.01)	(0.06)	-	-	(0.01)	(0.06)
2	Karamsad Investments Ltd.	-	-	(0.01)	(0.07)	-	-	(0.01)	(0.07)
	Foreign-								
1	GMM Mavag AG	13.25	356.33	0.59	2.99	-	-	0.60	2.99
2	Mavag AG	22.14	595.31	18.94	95.78	345.81	(16.34)	15.85	79.44
	Consolidation Adjustment	(16.34)	(439.52)	0.15	0.81	(265.04)	12.52	2.66	13.33
	Total		**2,689.28**		**505.81**		**(4.72)**		**501.09**

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(b) As at and for the year ended March 31, 2018

₹ in Million

Sr. No.	Name of Entity	Net Asset i.e total assets minus total liablities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Holding Co.	As % of Conso-lidated net asset	(₹ in Millions)	As % of Conso-lidated Profit or Loss	(₹ in Millions)	As % of Consolidated other compre-hensive Income	(₹ in Millions)	As % of Conso-lidated profit or loss	(₹ in Millions)
	GMM Pfaudler Limited	81.58	1,858.05	66.49	283.75	19.58	(3.35)	68.45	280.40
	Subsidiaries								
	Indian-								
1	Karamsad Holding Ltd.	0.21	4.70	0.01	0.03	-	-	0.01	0.03
2	Karamsad Investments Ltd.	0.20	4.52	0.00	(0.01)	-	-	0.00	(0.01)
	Foreign-								
1	GMM Mavag AG	15.25	347.32	0.97	4.14	-	-	1.01	4.14
2	Mavag AG	22.27	507.17	33.77	144.12	197.25	(33.75)	26.94	110.37
	Consolidation Adjustment	(19.50)	(444.26)	(1.23)	(5.27)	(116.83)	19.99	3.59	14.72
	Total		**2,277.50**		**426.76**		**(17.11)**		**409.65**

43 THE GROUP HAS ACQUIRED INDUSTRIAL MIXING SOLUTIONS DIVISION (IMSD) OF SUDARSHAN CHEMICAL INDUSTRIES LTD, PUNE ON A GOING CONCERN BASIS IN TERMS OF DEFINITE AGREEMENT ON APRIL 12, 2019

44 GOODWILL ON CONSOLIDATION

₹ in Million

Sr. No.	Name of the Parties	As at March 31, 2019	As at March 31, 2018
1.	Opening Balance	121.31	114.72
2.	Add: On acquisition of subsidiaries during the year	-	-
3.	Add/ (less): Exchange difference during the year on translation of Goodwill of foreign subsidiaries	2.07	6.59
4.	Less: On disposal of subsidiaries during the year	-	-
5.	Less: Accumulated impairment	-	-
	Total	**123.38**	121.31

Goodwill arising on the acquisition of a foreign entity is translated at the closing rate.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

45 PROPOSED DIVIDEND:

"The Board of Directors in their meeting held on 30th May, 2019, proposed a final equity dividend of ₹ 1.5 per equity share of ₹ 2.00 each fully paid up for the financial year 2018-19. The aggregate amount of final equity dividend proposed to be distributed is ₹ 21.93 million including dividend distribution tax of ₹ 4.51 million."

46 THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 WERE APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON MAY 30, 2019.

As per our report of even date.

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

Kartikeya Raval
Partner
Membership No. 106189
Mumbai, May 30, 2019

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 30, 2019

Mittal Mehta
Company Secretary
FCS 7848

Notes

Notes

MANUFACTURING FACILITIES

Karamsad
Vithal Udyognagar, Anand - Sojitra Road,
Karamsad - 388 325, Gujarat.
Tel: +91 2692 661 700

Pune
Gat No. 1559, Shelar Vasti,
Chikhali - Dehu Road,
Pune - 411 062, Maharashtra.
Tel: +91 20 2553 0933

CORPORATE & SALES OFFICE

Mumbai
1001, Peninsula Towers,
Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai - 400 013, Maharashtra.
Tel: +91 22 6650 3900

SALES OFFICE

Ahmedabad
2, B Jadhav Chambers, Near Income Tax Office,
Ashram Road, Ahmedabad - 380 009, Gujarat.
Tel: +91 79 2754 6894 / 2754 6924

Chennai
No. 66, Ground Floor,
“City Center” Thirumallai Pillai Road,
T. Nagar, Chennai - 600 017, Tamil Nadu.
Tel: +91 44 4212 4581

Hyderabad
Flat # 410, 4th Floor, H. No 6-11 & 6-11/A,
Vijay Sai Towers, Main Road, Kukatpally,
Hyderabad - 500 072, Andhra Pradesh.
Tel: +91 40 2315 0222 / 400 55058

Pune
1162/2, Behind Observatory,
Shivaji Nagar, Pune - 411 005, Maharashtra.
Tel: +91 20 2553 5384

Vadodara
227, Sidharth Complex, R. C. Dutta Road,
Alkapuri, Vadodara - 390 005, Gujarat.
Tel: +91 265 235 4790 / 234 4744

SALES & SERVICE OFFICES

Ankleshwar
A/2 - 2412, GIDC Estate,
Near ETL, Gujarat - 393 002
Tel: +91 2646 650 808 / 222 614

Roha
Shed No. 3, Gurukrupa Niwas, Roha - Kolad Road,
Near Shree Dutta Temple, Dhatav, Raigad,
Maharashtra - 402 116.
Tel: +91 98334 54694/ 70451 57078.

Visakhapatnam
Plot No: 71, IDA Block E,
Fakeertakaya Village, Gajuwaka Mandal,
Opp. Vizag Plant Kurmannapalem Main Entrance,
Visakhapatnam - 530 012, Andhra Pradesh.
Tel: +91 70933 18671

GMM Pfaudler
Defining the standard

CIN No. L29199GJ1962PLC001171

Corporate and Sales Office:
1001, Peninsula Towers, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013
Tel.: +91 22 6650 3900

Registered Office & Works:
Vithal Udyognagar, Anand - Sojitra Road,
Karamsad - 388 325, Gujarat
Tel.: +91 2692 661700 / 230416 / 230516
Fax: +91 2692 661888 / 661999

investorservices@gmmpfaudler.com
www.gmmpfaudler.com