



GMM/SEC/2023-24/32

August 1, 2023

To,
BSE Ltd
Scrip Code: 505255

NSE Ltd
Symbol: GMPFAUDLR

Sub.: Annual Report of the Company and Notice convening the 60th Annual General Meeting
Ref.: Regulation 30(2), Regulation 34 and Regulation 42 of the Securities and Exchange Board of India SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

Dear Sir/ Ma’am,

Pursuant to Regulation 34 and Regulation 30(2) of the SEBI Listing Regulations, please find enclosed Notice convening the 60th Annual General Meeting (“AGM”) and the Annual Report of the Company for the financial year 2022-23. The Notice of the AGM is given on Page Nos. 97 to 119 of the Annual Report.

In compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice convening the AGM and the Annual Report of the Company for the financial year 2022-23 is being sent today i.e. Tuesday, August 1, 2023, through electronic mode, to all the Members of the Company whose e-mail addresses are registered with the Depositories/ the Company/ the Registrar and Share Transfer Agent of the Company.

Please note that the AGM of the Company will be held on Tuesday, September 5, 2023, at 02:00 p.m. (IST) through Video Conferencing/ Other Audio Visual Means in accordance with the aforesaid circulars. The Notice of AGM along with the Annual Report for the financial year 2022-23 is also being made available on the website of the Company at: <https://www.gmmpfaudler.com/investors/financial-results-reports/annual-reports>

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

Sr. No.	Agenda item	Resolution to be passed/ Manner of approval proposed
1.	To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2023 (including Consolidated Financial Statements) together with the reports of the Board of Directors and auditors thereon.	Ordinary Resolution
2.	To confirm the declaration and payment of one interim dividend paid during the financial year ended March 31, 2023 and to declare final dividend for the financial year ended March 31, 2023.	Ordinary Resolution

GMM Pfaudler Ltd.

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

Sr. No.	Agenda item	Resolution to be passed/ Manner of approval proposed
3.	To appoint a Director in place of Mr. Malte Woweries (DIN 09164705), who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary Resolution
4.	To ratify the payment of remuneration to the Cost Auditors of the Company for the financial year ending March 31, 2024.	Ordinary Resolution
5.	To consider payment of Commission to the Non-Executive Directors (excluding Directors who are a part of the Promoter group).	Ordinary Resolution
6.	To consider payment of remuneration to Mr. Tarak Patel (DIN 00166183) as the Managing Director of the Company for balance period of his term up to May 31, 2025.	Special Resolution

Record Date and Book Closure:

Pursuant to Regulation 42 of the SEBI Listing Regulations and Section 91 of the Companies Act, 2013, the Company has fixed Tuesday, August 29, 2023 as the record date for the purpose of AGM and determining the Members eligible for dividend on equity shares, if approved at the AGM. Accordingly, the Register of Members and Share Transfer books will remain closed from Wednesday, August 30, 2023 to Tuesday, September 5, 2023 (both days inclusive).

Details of E-voting:

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

This is for your information and record.

Thanking you.


Yours faithfully,

For **GMM Pfaudler Limited**

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

GMM Pfaudler Ltd.

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**We adapt.
We move forward**

ANNUAL REPORT 2022- 23

GMM
Pfau
dler

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

Investor Information

CIN:	L29199GJ1962PLC001171
BSE code:	505255
NSE code:	GMMPFAUDLR
Bloomberg code:	GMM IN Equity
Dividend for FY23:	₹2 per equity share (Subject to approval of the members at the AGM)
AGM date:	September 5, 2023
Venue:	Through Video Conference

— Our Vision

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

— Our Mission

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

— Our Values

Innovative

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

Inclusive

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

Reliable

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

Dynamic

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

Respectful

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

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

Building on our Strengths

Global
Leadership



Execution
Credibility



Management
Experience



Integration
Capabilities



25%

Growth in
Revenue

52%

Growth in
EBITDA

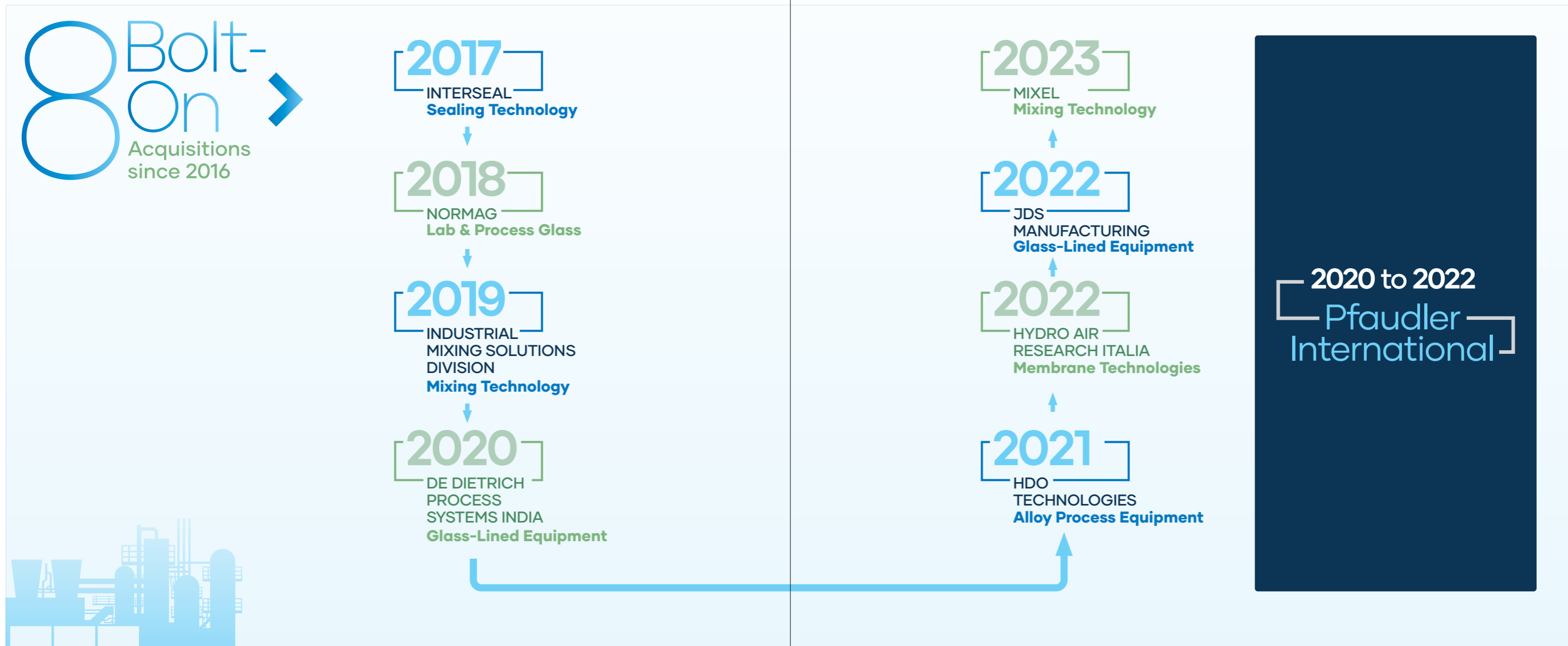
183%

Growth in
Net Profit

12%

Growth in
Order Backlog

Mergers & Acquisitions



Rationale

- Value Sourcing
- Cross Selling
- Innovation/Technology



Product Portfolio

Enhancing non glass-lined portfolio with complementary products

Global footprint



Facilities

1800+ Employees | 18 Facilities

08 Complementary brands | 100+ Countries



Delivering on
our promise to make

**BIG
MOVES**

PFAUDLER
— Glass-Lined Technology

GMM
Pfaudler

Delivering on
our promise to make

**BIG
MOVES**

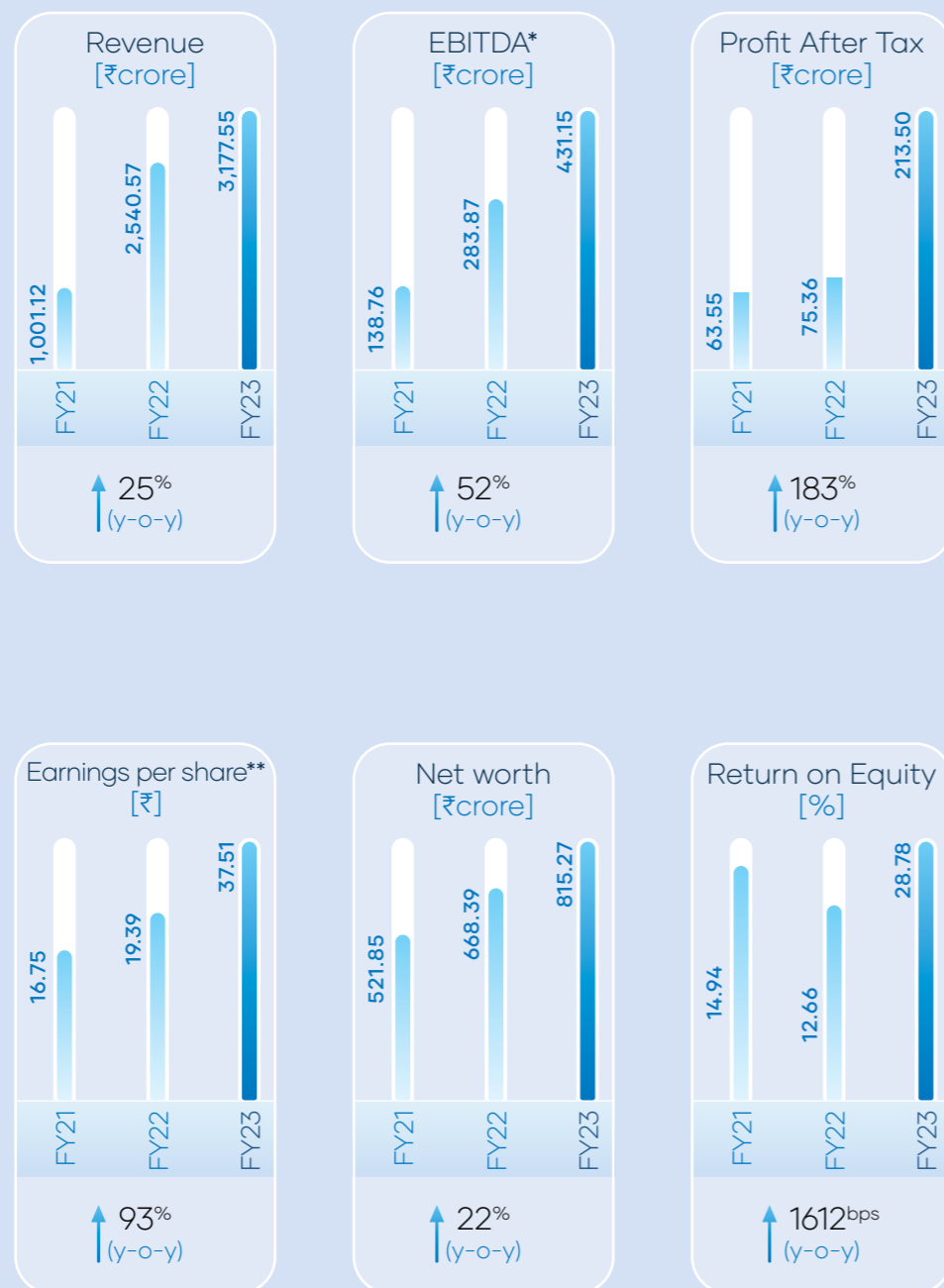


KEY PERFORMANCE INDICATORS

The past year witnessed a remarkable boost in profitability as revenue from our International Business surged, despite challenging circumstances. We strategically tackled rising costs, resulting in improved margins, and anticipate continued growth as energy and fuel prices stabilize.

ALEXANDER PÖMPNER
CFO - International Business

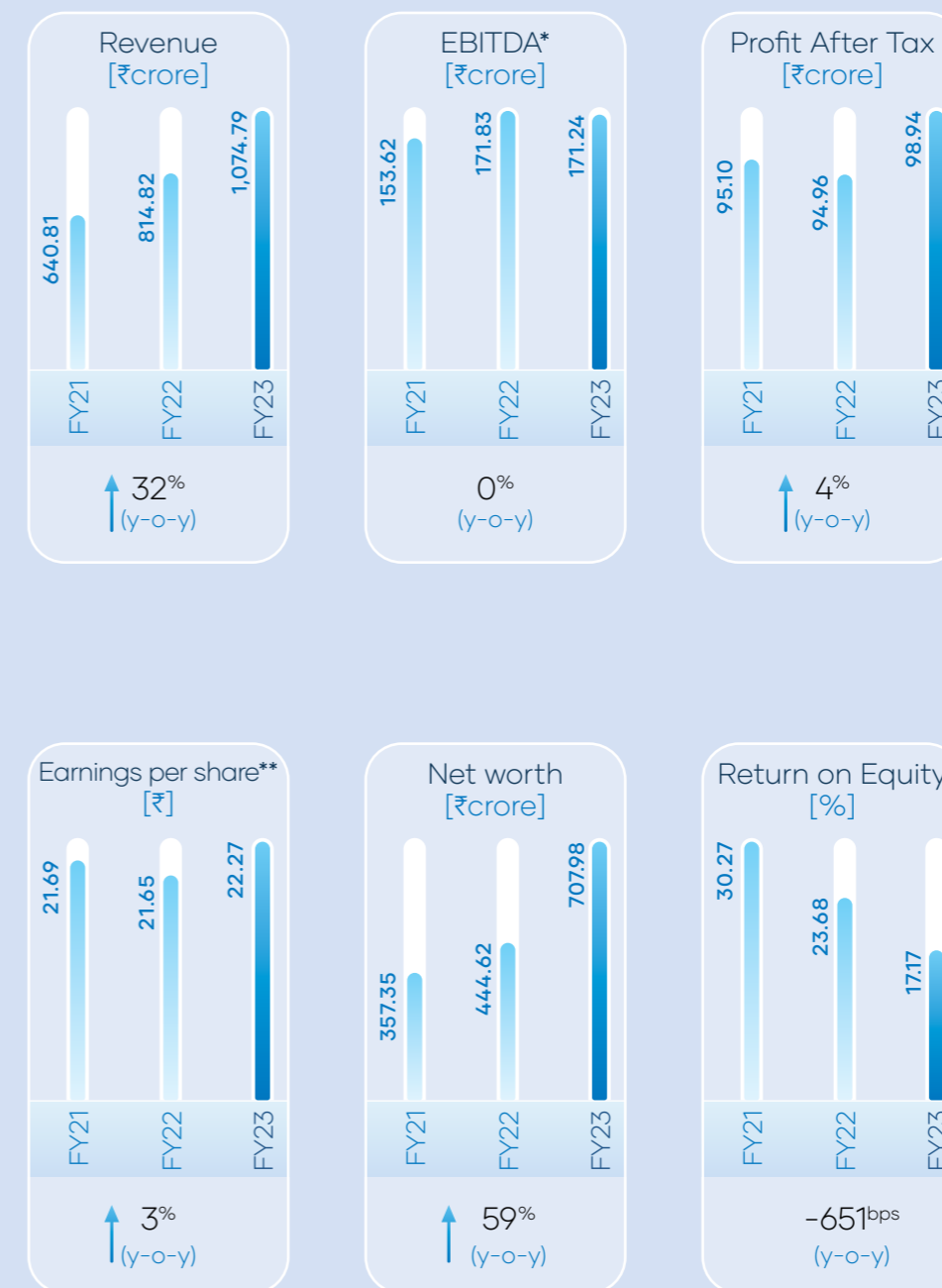
Consolidated Financial Performance



*EBITDA excludes other income

**Adjusted for the bonus issue of 2:1 completed in July 2022

Standalone Financial Performance



*EBITDA excludes other income

**Adjusted for the bonus issue of 2:1 completed in July 2022

At GMM Pfaudler, we proactively addressed the challenge of rising input costs while prioritizing cost-saving initiatives. Through streamlined processes, optimized supply chain, sustainable practices, and strategic vendor management, we not only drive operational efficiency and financial growth but also effectively mitigate the impact of increasing input costs on our bottom line.

MANISH PODDAR
CFO - India Business

DEAR SHAREHOLDERS, the past year has been an eventful year for our company. As we continue on our journey, we remain committed to our long term vision of building a world class institution.



Tarak Patel
MANAGING DIRECTOR

Today, GMM Pfau

dler the market leader in corrosion resistant technologies has a workforce of more than 1800 people spread across 4 continents.

OUR focus on innovation, our global reach and extensive after-sales network and our ability to offer a cost-effective solution has been the cornerstone of our success. Diversification of our product portfolio has also been a strategic priority for us over the last few years and I am happy to report that as of today we have 8 complementary brands built on the goodwill and trust that has been created around our glass-lined business.

Reflecting on the previous year, it is important to highlight the challenges faced by our business due to the global economic environment and the ongoing conflict between Russia and Ukraine. Significant increases in raw material and energy costs along with supply chain disruptions impacted many businesses across the globe including ours.

Our ability to remain agile and navigate these challenges helped us minimise the impact on our business. Despite that, there is still work to be done. However, with material and energy costs now stabilising, we do hope to see some positive impact in the coming year.

Our opportunity pipeline remains robust across regions, and we will continue to leverage our strengths to remain the preferred choice for our customers

On the manufacturing front, we achieved some 'big' milestones last year. Our Li Yang facility in China manufactured a 140,000 liters glass-lined vessel which is the biggest glass-lined equipment that we have ever made. Additionally, our Karamsad facility in India manufactured an 80,000 liters glass-lined vessel, the largest glass-lined equipment ever made in India! These upgraded capabilities in China and India will allow us to meet the growing demand for super large sized glass-lined equipment which we believe will be the future as our customers look to scale up their manufacturing capacity while reducing their footprint and cost structure. Our manufacturing facilities across the globe are running at a high capacity utilisation and with ongoing operational excellence programs, we hope to improve efficiencies and throughput across geographies. With a backlog of 8-9 months in the International business and 6-7 months in the India business, our outlook remains positive.

On the sales front, order intake continues to remain strong despite the general economic slowdown and the cyclical nature of some of our industry segments. I'm happy to report that our global sales organisation is now completely integrated and aligned, and with

constant sharing of information between our teams, we now have a better coordinated and a more focused sales and marketing strategy across regions. Our value sourcing initiatives continue to gain momentum; this initiative has been instrumental in growing market share in certain regions such as Eastern Europe and North America. Further, our recently introduced stock and sale program in Germany has already seen great traction and we believe that is the beginning of a global stock and sale program. Our opportunity pipeline remains robust across regions, and we will continue to leverage our strengths to remain the preferred choice for our customers.

As you must be aware, we have been quite active on the M&A front in recent years. This year continues to be no different, with 3 acquisitions successfully completed. In July 2022, we announced the acquisition of Hydro Air Research Italia based in Milan, Italy, a company specializing in membrane separation technologies, a welcome addition to our portfolio.



MANAGEMENT COMMENTS

With this acquisition we will strengthen our process engineering capabilities and open new high growth markets such as biotech, bio proteins and bioplastics. Our second acquisition was a joint venture agreement with JDS Manufacturing Inc (JDS) based in Americus, USA in November 2022. This joint venture with JDS will further strengthen our after-market and re-glassing presence in North America. Finally, in February this year, we completed the acquisition of Mixel France SAS (Mixel) based in Lyon, France with a subsidiary in Beijing, China. Mixel specialises in the design and manufacturing of standard and tailor-made mixing systems for industrial process applications. The acquisition of Mixel will further strengthen our mixing capabilities with new applications and new industry segments being added to our already existing business. We will continue to look for acquisition opportunities in the mixing space with a view to create a unified global mixing business.

The company is firmly committed to ESG and sustainable development, which are integral to our business strategy and operations. Across all our facilities, we have undertaken several initiatives to reduce our carbon footprint and energy consumption, demonstrating our long-term commitment to creating value for stakeholders while contributing to a sustainable future.

Our CSR arm, the GMM Pfau

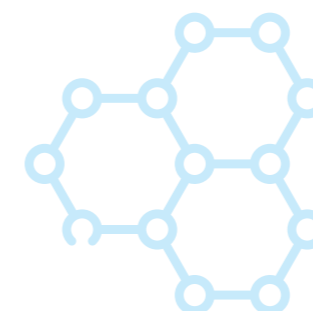
I would like to express my gratitude to our CSR partners - ReefWatch Marine Conservation, Shri Krishna Hospital (Charutar Arogya Mandal), JV Patel GIA ITI, and the Sardar Patel Trust - for their dedicated efforts in improving education, healthcare, and environment aspects of our society, fostering sustainable growth and development.

We also held our first ever Investor Day in September 2022 and rolled out our FY25 vision - Revenue of ₹3700 crore, EBITDA of ₹630 crore and a ROCE of 25%. As we conclude FY23 with a revenue of ₹3178 crore and EBITDA of ₹431 crore, I am confident we are on track to meet our FY25 guidance.

I have always said that our employees are our most valuable asset, and I would like to express my sincere gratitude to all of them for their commitment and hard work. On a similar note, I would like to also thank the management teams of the India and International business for the leadership and professionalism that they have displayed during the year.

Before I conclude, I would like to place on record my immense gratitude to the Board of Directors for their continued support and guidance. I would like to welcome Mr. Prakash Apte as Chairman of the Board and congratulate him on completing one year as an Independent Director of the Company. **I would also like to acknowledge all our customers, supplier partners and shareholders for their support and faith in GMM Pfau**

Thank you for being a part of our journey.



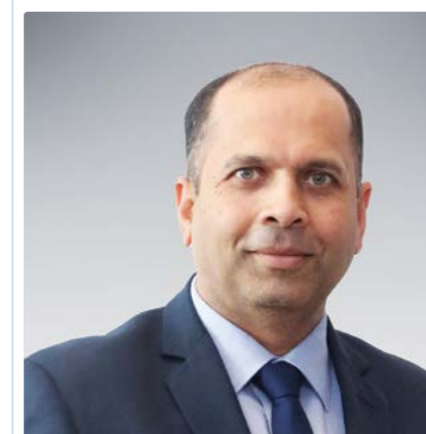
In February this year, we completed the acquisition of Mixel France SAS (Mixel) based in Lyon, France with a subsidiary in Beijing, China



Thomas Kehl,
CEO - International Business

The past year brought with it significant improvement in profit, as we saw the revenue from International Business ramp-up despite headwinds and cautious business sentiments. Even with numerous international issues, inquiries continued to flow in a healthy manner.

We have a large backlog of 8-9 months, in some cases even more. Over the past year, we have taken a lot of actions in countering the cost increases in material, energy, and gas across geographies. We have successfully improved our margins and expect the margins in the international business will continue to get better as the prices for electricity and fuel stabilize across Europe, especially in Germany. A movement towards the localization of production across the Americas and Europe could be significantly beneficial in the year to come.



Aseem Joshi,
CEO - India Business

This year has been an incredibly rewarding and fulfilling experience, characterized by significant learning and growth. We saw a strong growth in Non-Glass Lined Technologies, driven by our Mixion and Mavag product lines. Our Systems and Services divisions also showed positive momentum.

Our focus is to increase our share in the services business by leveraging our installed base capacity. The Vatva and Hyderabad Facilities have ramped up well, and our new 80,000 liters furnace in Karamsad has already begun to receive orders catering to the requirements of super large glass-lined vessels. Last year, we took several steps towards becoming a more efficient organization, the benefits of which we will see this financial year. I anticipate FY24 to be a strong and productive one.

VISION 2025

₹3,700^{Cr}
REVENUE

₹630^{Cr}
EBITDA

25%
ROCE

Environmental, Social & Governance

At the core of GMM Pfaudler's Business Strategy lies a strong emphasis on sustainability. Therefore, designing sustainable products and conducting business responsibly to contain the environmental impact of our operations and the value chain, providing a safe and inclusive workplace, and fostering holistic growth are integrated within our organizational fabric.

Our success as a Company, has been achieved by maintaining a delicate balance between commercial prosperity and an unrelenting dedication to responding to the requirements of the environment and society through outstanding governance.

As a responsible corporate citizen, we have wholeheartedly accepted our duty to incorporate environmental, social, and governance (ESG) considerations into everything we do.

Highlights of the Year*

Environment

- 8% reduction in fuel consumption
- 24% reduction in energy intensity
- 13% reduction in emission intensity
- All manufacturing sites are ISO 14001 & 45001 certified
- ~1456 tCO₂e emission avoided
- 99% waste recycled and reused

Social

- Zero High consequence work-related injury and fatalities
- 27% reduction in recordable work-related injuries
- 100% workers trained on health and safety
- Safety Culture Enhancement Drive conducted in all manufacturing facilities

Governance

- 100% training completed on code of conduct & ethics
- 50% independent directors on the board
- Ethics Committee constituted under the Whistle Blower Policy

*For India Business

OUR PURPOSE

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

OUR APPROACH

In our ongoing commitment to sustainability, we remain resolute to the principles outlined in our previous ESG report. Our operational and future growth strategies continue to prioritize responsible environmental, social, and governance practices, as we strive to accelerate the world's transition towards a sustainable future and make a positive impact on our people, communities, and the planet.

To bring our commitment to life, we have implemented a range of initiatives that align with our future growth strategy, while incorporating environmental, social, and governance considerations at their core.

These initiatives serve as a foundation for creating long-term value to our stakeholders, ensuring that our actions have a lasting and positive impact.

Our initiatives have led to the development of tangible products and services that actively contribute to environmental protection and showcase climate resilience. Our commitment towards responsible business conduct, ensuring ethical practices

and accountability, is reflected throughout our operations. Additionally, we foster workplace harmony, prioritize social stewardship, continuously improve our processes and policies, and enhance resource efficiency.

In line with our commitment to transparency, we integrated an ESG report into our annual report since FY21, and we continue to uphold this practice. This year's ESG report, prepared in accordance with the GRI Standards, enables us to disclose relevant ESG parameters and communicate our progress to all stakeholders.

At our core, we remain steadfast in our mission to lead by example, creating a sustainable future for all.

Creating a sustainable future for our Company and our Stakeholders

- Sustainable and Environmentally-Friendly Working Practices**
Strengthening our product portfolio while respecting our stakeholder concerns and reducing our environmental impact
- Innovative Technologies**
We provide unique and innovative technologies, systems and services that deliver high-value solutions to our customers
- Reliable and Dynamic**
We are committed to consistently delivering on our promise of expertise in technologies, systems and services by anticipating the needs of customers
- Inclusive Culture**
Our people are the driving force steering our ability to do and achieve more. We value diversity and provide a real opportunity to cultivate meaningful relations
- Longer Lifespan**
Our equipments have a longer operational lifespan of over 10-15 years, reducing the need for replacement and waste generation

ENVIRONMENTAL, SOCIAL & GOVERNANCE

ESG POLICY

Our ESG policy is designed to address the impact of our operations and footprint on society and the environment, as well as identify and deploy mitigation measures. The policy outlines our commitment to embedding ESG principles into our business activities and functions and across our supply chain.

GMM Pfaudler supports the U.N. Sustainable Development Goals





STAKEHOLDER APPROACH






Engaging stakeholders is vital to our sustainability journey, as we strive to achieve the triple bottom line of people, planet, and profit. By actively involving stakeholders, we gain valuable

insights, identify key opportunities, and address their concerns. This collaborative approach enables us to earn their trust and support, fostering a shared commitment to sustainability.

Our stakeholders are classified as 'Internal' and 'External' based on our interactions with them. This distinction allows us to tailor our engagement strategies and ensure effective communication and collaboration with each group.

To keep our stakeholders informed, we periodically communicate our progress on material issues using the appropriate channels mentioned below:

Stakeholders	What can we offer them?	Why are they important to us?	How do we engage with them?	Frequency of engagement	Key ESG concerns
 Employees & Senior Management	<ul style="list-style-type: none"> Learning and development Benchmarked compensation Objective and fair performance review & timely feedback Progressive career growth Conducive and inclusive work environment Enabling an innovation led culture 	<ul style="list-style-type: none"> A propelled labour force is critical to acknowledging business, furthermore, manageability of objectives Engaged representatives convey higher efficiency, and fortify cutthroat advantage 	<ul style="list-style-type: none"> Internal communication through multiple channels, including leadership messages, town halls, shop floor meetings, newsletters Intranet Grievance redressal channels 	<ul style="list-style-type: none"> Continuous: Website, Employee portal, Rewards & Recognition programs & satisfactions survey, Webinars, and awareness sessions Quarterly: GMM Pfaudler's Newsletter Annual: Townhalls 	<ul style="list-style-type: none"> Health & Safety Training & Development Corporate Governance Climate Change, Emissions, Water & Waste
 Customers	<ul style="list-style-type: none"> High-quality products Seamless pre-sales and after-sales service Opportunity to provide feedback about products and services Value for money 	<ul style="list-style-type: none"> Satisfied customers are the source of recurring revenues Positive word of mouth and recommendations can get new customers 	<ul style="list-style-type: none"> One-to-one interactions and meetings Customer satisfaction surveys Company websites Helpline numbers and grievance recording mechanism 	<ul style="list-style-type: none"> Continuous: GMM Pfaudler's website and social media sponsored events, mailers, newsletters, brochures Half-yearly: Relationship meetings, Customer satisfaction surveys, Customer visits Annual: Events & Exhibitions 	<ul style="list-style-type: none"> Product Quality Customer Satisfaction Material sourcing

Stakeholders	What can we offer them?	Why are they important to us?	How do we engage with them?	Frequency of engagement	Key ESG concerns
 Shareholders / Investors	<ul style="list-style-type: none"> News of the latest Company developments Details of long-term plans Clarifications about events that might be of concern 	<ul style="list-style-type: none"> Shareholders are the source of the Company's capital As part owners of the Company, they deserve to have a say in the tactical and strategic plans of the Company 	<ul style="list-style-type: none"> Website Media Email Quarterly conference call Analyst & Investor meetings General meetings LinkedIn Investor day 	<ul style="list-style-type: none"> Continuous: Website & Social media Quarterly: Financial statements earnings call, Press conferences, Investor meetings Annual: Annual General Meeting, Annual Report 	<ul style="list-style-type: none"> Corporate governance, Ethics & Integrity Climate Change, Emissions, Water & Waste CSR
 Suppliers / Vendors	<ul style="list-style-type: none"> Revenue generation Business growth Innovation Brand loyalty Key to growing the demand for a sustainable supply of equipment and materials 	<ul style="list-style-type: none"> Strategic lever for operational and cost efficiencies Delivering on quality commitments Finishing new and in-progress projects on time and within budget Technology adoption and advancement across the value chain Integrating ESG parameters chain Reducing carbon footprint 	<ul style="list-style-type: none"> One-to-one discussion Online survey Supplier meets Review & Audits Contractual Agreements Capacity building and training 	<ul style="list-style-type: none"> Continuous: Meetings/calls Half-yearly: Assessments, Site visits & Inspections 	<ul style="list-style-type: none"> Product Stewardship Responsible Sourcing
 Investor Relations & Media	<ul style="list-style-type: none"> News of the latest Company developments Transparency / clarifications about events that might be of concern 	<ul style="list-style-type: none"> Enhancing financial and brand reputation Boosts visibility among potential customers and investors Creating sustainable impact 	<ul style="list-style-type: none"> One-to-one discussion Online survey Quarterly Investor Meets Media announcements Interviews Annual Events 	<ul style="list-style-type: none"> Need-based 	<ul style="list-style-type: none"> Occupational Health & Safety Corporate Governance Climate Change
 CSR Partners	<ul style="list-style-type: none"> Partnerships that support the long-term growth of the communities that surround our operations and result in cascading benefits for the ecosystem 	<ul style="list-style-type: none"> Strengthening societal license to operate Community engagement to conduct business without disruptions Create a more sustainable ecosystem 	<ul style="list-style-type: none"> CSR programs Face-to-face meetings Online survey Community meets Review & Impact studies 	<ul style="list-style-type: none"> Continuous: Project Progress Annual: Review Need-based 	<ul style="list-style-type: none"> Community Development Training & Education
 Industry bodies, Regulators	<ul style="list-style-type: none"> Sustainability Make in India 	<ul style="list-style-type: none"> Key for ensuring compliance, interpretation of regulations and uninterrupted operations, obtaining/granting permissions 	<ul style="list-style-type: none"> Discussions on applicable regulations Appropriate amendments and regular inspections 	<ul style="list-style-type: none"> Need-based 	<ul style="list-style-type: none"> Timely approvals Adaptation to changing regulations Corporate Governance

ENVIRONMENTAL, SOCIAL & GOVERNANCE

MATERIALITY ASSESSMENT

In FY22, we undertook a detailed materiality assessment to identify issues that are critical for our continued business growth and parameters that can impact our

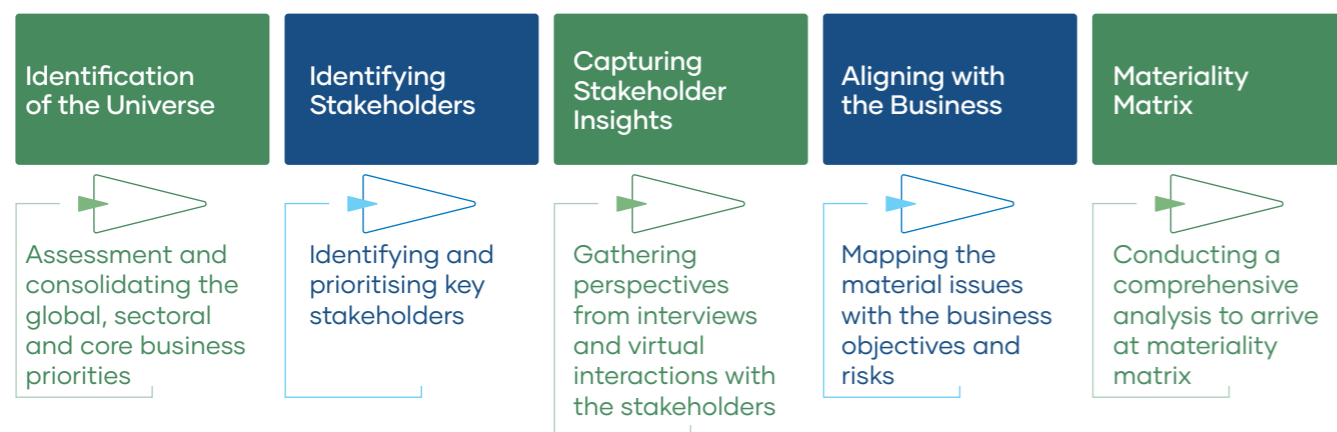
stakeholders the most through a structured engagement with them. A series of one-on-one discussions and online surveys with internal and external stakeholders helped us garner their insights and

assess risks and their potential to impact our value creation abilities. Additionally, a comprehensive desk review was carried out to evaluate material topics relevant to our Company.

Our Materiality Assessment aimed to:

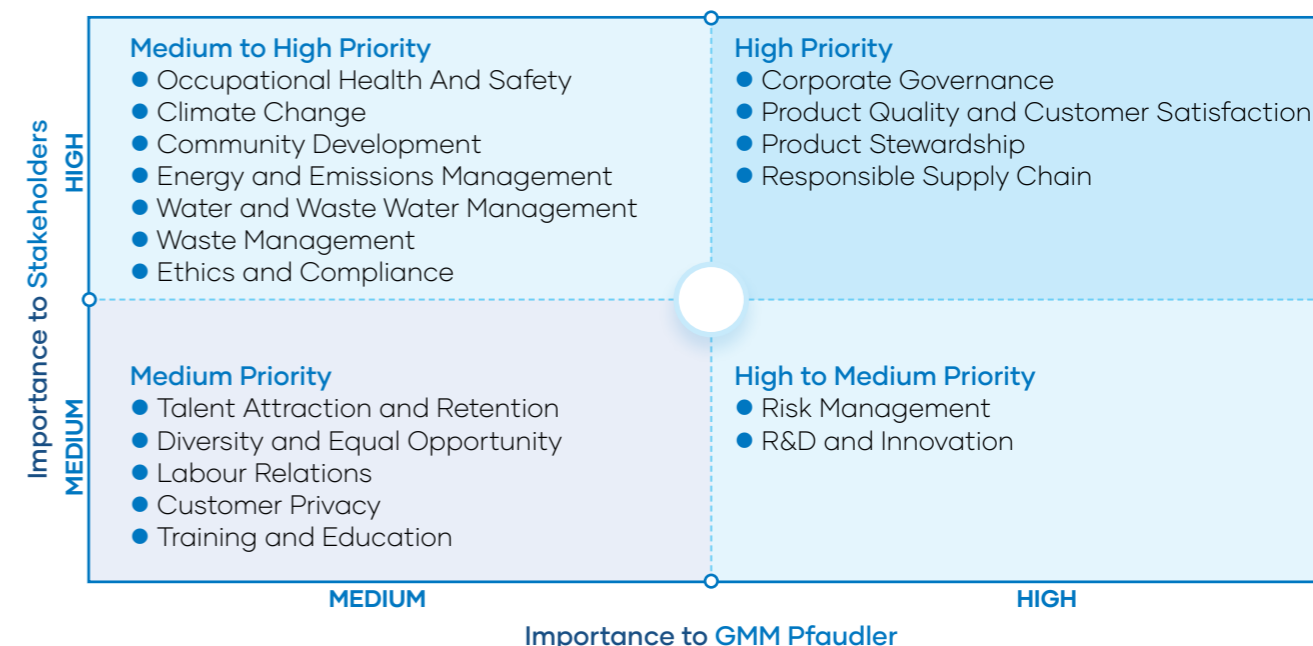


The materiality assessment conducted in FY22 encompassed five key phases, starting with core business priority, and culminating in the finalized Materiality Matrix. The process is elaborated below:



GMM Pfaudler Materiality Matrix

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



Every year, we internally review our material issues in the context of the business environment. Our review process confirmed the relevance and applicability of our 13 material issues, as listed below, for the current reporting period.

GMM PFAUDLER Material issues

High Priority

- 1 Corporate Governance
- 2 Product Quality & Customer Satisfaction
- 3 Product Stewardship
- 4 Responsible Supply Chain

High to Medium Priority

- 5 Risk Management
- 6 R&D & Innovation

Medium to High Priority

- 7 Occupational Health & Safety
- 8 Climate Change
- 9 Community Development
- 10 Energy & Emissions Management
- 11 Water & Waste Water Management
- 12 Waste Management
- 13 Ethics & Compliance

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

ENVIRONMENTAL, SOCIAL & GOVERNANCE

ESG STRATEGY

Last year, we developed a robust ESG-led growth roadmap for 2022-2025, integrating the material issues identified during that time. This agile and scalable roadmap is

a powerful framework to effectively translate our ESG goals into actionable strategies.

The roadmap not only ensures we meet our financial commitments, but also enables the establishment of scalable and responsive

business model. It empowers us to build a future-ready talent pool, while prioritizing the well-being of our people and the preservation of our planet.

The strategy is built on the four pillars and has nine focus areas.

ESG Strategic Framework



Note: Certain data points of our previous year's report have been revised in view of updated calculation methodology as per BRSR guidance note

ESG Strategic Pillar

1

Environmental Protection & Climate Resilience

Focus area	KPI	3 Year target (FY25)
Low carbon & climate resilient operations	Energy efficiency	To reduce energy intensity
	Decarbonization (SBTi)	To increase the share of renewable energy
	Climate risk analysis	Conduct climate risk and opportunity analysis
Water & waste management	Zero waste to landfill	All the manufacturing sites to achieve the Company's standard for zero disposal
	Water recycling	To decrease total water consumption by a Substantial percentage

We are pleased to announce significant progress in our Company's sustainability efforts. We have achieved a commendable 24% reduction in energy intensity, a 13% decrease in emissions intensity, and an 8% reduction in fuel consumption.

Additionally, we have achieved high rates of waste recycling, reflecting our commitment to sustainable waste management practices. While ongoing construction work has resulted in a temporary 12% increase in

water intensity, we are actively implementing measures to address this. We remain dedicated to our goal of increasing the share of renewable energy and continuously improving our sustainability practices across all operations.

ESG Strategic Pillar

2

Responsible Business Conduct

Focus Area	KPI	3 Year Target (FY25)
Responsible supply chain management	Sustainable procurement	Using responsibly sourced raw materials and minimizing waste throughout the supply chain
	Responsible sourcing	Increase the use of recycled packaging material
Ethics & compliance	No of breaches/non-compliances	<ul style="list-style-type: none"> Identify and disclose the number of breaches or non-compliances with the code of conduct 100% training compliance on ethics (code of conduct)
		<ul style="list-style-type: none"> Half-yearly ESG newsletters Conduct quiz/competitions on ESG issues Celebrate ESG/safety Week
ESG communication	Internal communication	<ul style="list-style-type: none"> Develop & disclose a sustainability report or integrated report
	External communication	<ul style="list-style-type: none"> Develop a micro site on the website and disclose the sustainability updates /progress every quarter

We are delighted to share the significant achievements we have made under this pillar. We have implemented a sustainable procurement policy, conducted supplier sustainability risk analysis, prioritized the reuse of packaging

materials and achieved high rates of waste recycling (91.26%) & reuse (8.54%).

Our revised Code of Conduct & Ethics Policy and Whistle Blower Policy ensure ethical business practices, with 100% employee training completion.

Additionally, we celebrated Safety Week across all facilities and mapped our sustainability report with UN SDGs and GRI.

These accomplishments demonstrate our commitment to sustainability, transparency, and responsible business practices.



ESG Strategic Pillar

3

Workplace Symphony

Focus Area	KPI	3 Year Target (FY25)
Human capital development	Diversity & inclusion	Increase the existing women workforce by substantial percentage
	ESG training	All the employees to comply with the minimum ESG training as per Company's learning & development guidelines
	Employee engagement survey	Conduct employee engagement survey annual basis
Health & safety	ISO 45001 alignment and certification	All manufacturing sites to be ISO 45001 certified
	Zero accident & zero injury	Zero accident & zero injury (reportable)

We are proud to announce several significant achievements in Human Capital Development and Health & Safety area. We have implemented a special recruitment drive to promote gender diversity and integrated ESG training into our annual training calendar. We are proud to report a consistently high employee engagement score, reflecting our commitment to fostering a positive and inclusive work environment.

We have successfully maintained a zero rate of high consequence work-related injuries and fatalities. We have prioritized the well-being of our workforce by ensuring that 100% of workers receive training on Health & Safety. To further enhance safety culture, we conducted a comprehensive Behavior Based Safety Training drive across all manufacturing units.

Furthermore, we have achieved a remarkable 27% reduction in recordable work-related injuries for our workers. All our factories are now ISO 45001 and ISO 14001 certified showcasing our commitment to employee well-being and environmental stewardship. These accomplishments underscore our dedication to creating a safe, inclusive, and sustainable work environment.

ESG Strategic Pillar

4

Social Stewardship

Focus Area	KPI	3 Year Target (FY25)
Community development	Need assessment	Community need assessment for all new CSR projects
	Social impact assessment	Impact assessment for medium/ long-term CSR projects (3 years and above)
Human rights	Employee volunteering	Encourage employees to engage and participate in community volunteering services
	Human rights due diligence	Conduct human rights due diligence at all operational facilities

We are pleased to highlight our Company's commitment to responsible practices and community engagement. We have conducted comprehensive Need Assessments for our new CSR projects in Healthcare, Education & Environment ensuring that our

initiatives align with community needs. We have completed Impact Assessments for our long & medium term CSR projects demonstrating our commitment to measuring and maximizing positive outcomes.

Also, our employees have volunteered their time in activities such as Blood Donation, ENT camps, and tree plantation, showcasing our dedication to giving back to society and making a meaningful impact.



Environment



Index

34:	Energy & Emissions
37:	Water Management
38:	Waste Management
40:	Environment sustainability through CSR Projects

GMM Pfaudler acknowledges the significance of sustainability and the need for environmental responsibility. Through our ESG Strategy we have implemented various measures to minimize our carbon footprint and conserve natural resources.

As a manufacturer of glass-lined equipment and systems, we have adopted renewable energy sources, efficient manufacturing processes, and waste reduction and recycling programs to reduce our environmental impact.

The Company adheres to internationally benchmarked standards and conducts environmental assessments to identify risks and ensure long-term viability.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

ENERGY & EMISSIONS

GMM Pfaudler is actively fostering an energy-efficient culture by enhancing operational efficiencies, implementing energy conservation mechanisms, and prioritizing

the integration of renewable sources into its energy mix. The fuel consumed includes liquefied petroleum gas, high-speed diesel, biodiesel, petrol, and piped natural gas.

Additionally, energy is sourced from grid electricity, wind power plants, and solar power plants.

Energy Consumption (Units-GJ)					
Source	FY19	FY20	FY21	FY22	FY23
Total Grid Energy (as grid electricity)	41,047.50	48,821.58	43,663.66	74,926.08	90,933.93
Total Renewable Energy (as electricity)	6,409.59	6,616.61	8,449.08	9,475.80	6,471.66
Total Electricity (A)	47,457.09	55,438.19	52,112.75	84,401.88	97,405.59
Total Fuel Energy (B)	87,286.82	1,00,132.75	1,31,592.38	1,58,205.77	1,45,307.75
Total Energy (A+B)	1,34,743.94	1,55,570.94	1,83,705.13	2,42,607.65	2,42,713.34

The energy consumption for FY23 remained same as FY22 despite of the increase in turnover. This is due to the fact that our Total Fuel energy consumption decreased by 8% and our Total Renewable Energy decreased by 32% whereas our Total Grid Energy (as grid electricity) increased by 21%, this increase in consumption is due to our strategic transition from fuel to electricity.

GHG Emissions (Units-tCO ₂ e)					
Scope	FY19	FY20	FY21	FY22	FY23
Scope 1 Emissions	4,925.31	5,670.88	7,345.53	8,933.03	8,517.82
Scope 2 Emissions	9,365.78	10,764.78	9,581.74	16,442.11	20,460.13
Total	14,291.10	16,435.66	16,927.27	25,375.14	28,977.95




In FY23, our total GHG emissions rose by 14% to 28,977.95 tCO₂e compared to FY22, driven by 26% increase in turnover. However, we achieved a 4.6% reduction in Scope 1 emissions & 24% increase in Scope 2 emissions through strategic shift by reducing dependency on fuel-based equipment like Diesel Generator sets and moving from gas-based furnaces to electric ones.

Reducing Impact

Throughout the past year, we have actively pursued sustainability measures across various aspects of our operations. We are aligned with ISO 50001 to drive energy management, have introduced environmentally conscious products and services, and completed process improvements to minimize waste and resource consumption.

By replacing old equipment with energy-efficient alternatives, incorporating advanced technology, and retrofitting/upgrading equipment, we have reduced consumption and improved overall efficiency. Moreover, we are in the process of identifying additional potential for solar power in our factories, highlighting our commitment to renewable energy solutions.

In FY22, we developed a comprehensive three-pronged approach to significantly reduce our energy consumption and emissions. We continue to implement this strategy in the current year to ensure sustained progress towards our energy and emission reduction goals.

	Energy Efficiency	The first pathway focuses on enhancing energy efficiency through process improvement and removal of idle energy. This is closely supported by our efforts on technological interventions such as process improvements, replacing old AC units with 3/5 star rated AC units, replacing old welding machine with new Inverter based machines, energy-efficient LED lights etc. These interventions have resulted in annual savings saving of 28,16,628 kWh and helped us avoid 2,281 tCO ₂ e.
	Fuel Shift	Our second pathway involves transitioning to cleaner fuel to power manufacturing processes, including moving from gas-based to electric furnaces which helped reduce our Natural Gas consumption.
	Renewable Energy	The third pathway focuses on boosting the proportion of renewable energy, such as solar power and wind energy, in our energy mix. GMM Pfaudler's current renewable energy installed capacity stands at 2.8 MW, with 1.8 MW being wind and 1 MW being solar, which has helped avoid 1,456.12 tCO ₂ e in FY23.



Argon Gas Consumption Reduction Project

In our sustainability journey, an interesting story unfolds at our manufacturing facilities. It all began when one of our facility conducted a trial of the Argon Gas saver device in their welding machines, resulting in an impressive 27% reduction in gas consumption. Excited by this success, the facility shared the details of the gas saver project with the other facility to explore its feasibility for implementation.

The other facility conducted trials, comparing welding with and without the Gas saver device. Surprisingly, after installing the device, gas consumption increased by 3-5% instead of reducing. Multiple trials were conducted, all yielding the same unexpected result.

Determined to understand the issue, the other facility delved into the working principle of the Gas saver device. They discovered that it works by reducing the bottle pressure. This led them to recall their previous findings during repair weld analysis, where high bottle pressure was identified as the cause of weld defects like lumps, cracks, and porosity.

To address the issue of high bottle pressure and prevent recurring weld repairs, trials were conducted with reduced weld pressure. The results were promising, showing that bottle pressure could be reduced from 4-5 kg to 0.7-1 kg without compromising the welding quality.

Embracing this breakthrough, the other facility incorporated reduced bottle pressure as a process parameter in all welding

operations, leading to significant gas savings of 27% without the need for the Gas saver device.

This valuable learning was shared with our other facilities, where successful trials were conducted using the reduced bottle pressure as a process parameter. As a result, an organization-wide procedure was established, setting the welding bottle pressure at 0.7-1 kg instead of the previously used 4-5 kg pressure.

This project showcases the power of continuous improvement and knowledge sharing within our organization. By leveraging our collective expertise, we were able to identify a sustainable solution, optimize our welding processes, and achieve substantial gas savings, all while maintaining the highest quality standards.

**Vertical Conical Dryer (VCD):
Vacuum Drying Technology**

Our new product, the Vertical Conical Dryer (VCD), not only meets the strict guidelines for compliance with cGMP and FDA regulations, but it also fulfills our vision for sustainability.

The VCD is a versatile and energy-efficient system that can be optimized for use in the pharmaceutical, chemical, fine

chemical, and agrochemical industries. It offers multiple benefits over traditional Rotary Vacuum Paddle Dryers (RVPD), such as effective utilization of heat transfer areas, a vertical orientation and discharge for lower heel volumes and better emptying characteristics, a wide range of filling capacities, and lower operating and maintenance costs.

In addition, the VCD can be designed for use in sterile/clean room areas by providing in-floor installation that separates the drive unit from the process area, which helps to maintain a clean and safe environment.



Reduces Size by
50%



Use of Single Seal
instead to two:
**Low Running
Cost**



Reduces Drying
Time by
35%



Increases Heated
Surface Area
Utilization by
40%



WATER MANAGEMENT

At GMM Pfaudler, we understand the critical role of water in our business operations and are fully committed to utilizing it prudently. Water is not only essential for our manufacturing facilities and offices but also plays a vital role in various other aspects of our organization.

To fulfil our operational needs, we draw on-ground water and tap into third-party sources. However, we are acutely aware that our operations generate wastewater as a by-product of the manufacturing processes. Therefore, we recognize the importance of water conservation and have made a steadfast commitment to using water efficiently throughout our operations.

As part of our responsible water management practices, we have established protocols in accordance with the standards set by the Pollution Control Board of India. These protocols ensure the responsible treatment and recycling of wastewater, minimizing any potential impact on the environment.

Total Water Withdrawal & Consumption

(Units-KL)

Type of source (e.g. groundwater, surface water, tankers etc.)	FY21	FY22	FY23
Groundwater	11,910	14,735	25,685
Third-party water	120	15,811	18,746
Total water withdrawal	12,030	30,546	44,431
Total Water Discharge	3,623	3,980	5,190
Total Water Consumption	8,407	26,566	39,241

In FY23, our Total Water Consumption rose by 48% to 39,241 KL compared to FY22, driven by 26% increase in turnover as well as due to infrastructure activity been conducted at our Hyderabad factory.

Reducing Impact

We actively implement measures to monitor and reduce water usage throughout our operations, prioritizing sustainable water management practices and investing in water infrastructure. Our commitment to reducing water consumption aligns with ISO 14001 certification standards. An annual study of Environmental Aspects & Impacts enables us to identify the various effects of our current water consumption levels.

To conserve water, we have implemented initiatives such as installing low-flow fixtures, push-button taps, and water meters, while closely monitoring usage for optimization opportunities. Additionally, we address wastewater generated on-site through in-house sewage treatment plants or by sending it to a Common Effluent Treatment Plant (CETP). Recycled water is utilized for gardening purposes, promoting resource efficiency.

In cases where space is limited, smaller offices discharge wastewater into municipal sewers for further treatment.

Furthermore, we continue to implement the Hydro Wastewater Collection initiative, which recycles and reuses wastewater for hydro testing.



ENVIRONMENTAL, SOCIAL & GOVERNANCE

WASTE MANAGEMENT

Our operations and manufacturing processes result in the generation of both non-hazardous and hazardous wastes. Non-hazardous wastes include items like paper, food, metal scrap, rubber scrap, wooden scrap, and other scrap materials.

Additionally, we also produce hazardous wastes such as aluminum oxide, used oil, and paint sludge.

To address this challenge, we are actively implementing changes to our processes and adopting measures aimed at reducing waste generation.

Our manufacturing sites across India are fully committed to achieving our Company-wide goal of zero disposal by the year 2025. To accomplish this, we have implemented various operational control procedures, created necessary infrastructure, and established partnerships with authorized disposal agencies.

Total Waste Generated		(Units-MT)		
Parameter	FY21	FY22	FY23	
Plastic waste	-	-	1.1	
E-waste	-	-	3.3	
Bio-medical waste	0.001	0.004	0.00015	
Construction and demolition waste	685	94	310.43	
Battery waste	0.35	1.3	0.037	
Radioactive waste	-	-	-	
Hazardous waste	3	0.29	13.24	
Non-hazardous waste	1,563	2,305	3,301.37	
Total	2,251.35	2,400.59	3,629.47	

In FY23, our Total Waste Generation rose by 51% to 3,629 MT compared to FY22, driven by 26% increase in turnover as well as due to infrastructure activity been conducted at our Karamsad & Hyderabad Factory.

Waste Diverted		(Units-MT)		
Category of waste	FY21	FY22	FY23	
Recycled	1,566	2,306.3	3311.19	
Re-used	685.27	94.17	310.11	
Incinerated	0.001	0.004	0.00015	
Landfill	-	-	8.14	
Total	2,251.27	2,400.47	3,629.44	

Reducing Impact

In the FY23, we achieved significant milestones in waste management, with a remarkable total of 99% of waste being recycled or reused. Out of this total, 91% was successfully recycled, while 9% was effectively reused.

Our Waste Management Initiative encompasses a diverse range of strategies focused on waste reduction, reuse, and recycling across our business operations. We have taken several concrete steps to ensure effective waste management practices within our facilities.

These include the establishment of a dedicated scrap yard for waste segregation and storage, adherence to regulatory frameworks such as the Hazardous Waste Management Rules 2016, the Battery Waste Management Rules, e-Waste Management Rules and Plastic Waste Management Rules.

Waste management practices

Our new facility at Vatva has implemented Waste management practices in line with our existing facilities at Karamsad and Hyderabad.

Implementation of operational control procedure for hazardous waste management at Vatva facility - Adherence to comprehensive set of guidelines and processes ensures the safe and responsible handling of hazardous waste within our manufacturing unit. The procedure begins with identifying the hazardous waste generated by our operations and developing a waste management plan. Our employees receive training on proper waste handling practices,

and we enforce segregation and labeling protocols to ensure clear identification of hazardous materials. We also prioritize appropriate storage methods to prevent accidents or leaks. Safe disposal practices are strictly followed, and we continuously monitor the entire process to ensure its effectiveness. Our operational control procedure has enhanced efficiency by streamlining hazardous waste management processes.

Scrap yard at Vatva facility - This scrap yard serves as a dedicated space for the collection, processing, and distribution of various waste types, including plastic waste, e-waste, battery waste, and

hazardous waste. Their primary purpose is to ensure proper segregation and storage of waste materials. Additionally, bins were strategically placed on the shop floor to facilitate the correct collection of waste. By utilizing recycled materials from these yards, we reduce our environmental impact, preserve natural resources, and realize cost savings compared to purchasing new metals. Moreover, these yards provide an efficient and convenient solution for disposing of metal waste, lowering landfill costs and minimizing our overall environmental footprint.



ENVIRONMENTAL, SOCIAL & GOVERNANCE

ENVIRONMENTAL SUSTAINABILITY THROUGH CSR PROJECTS

GMM Pfaunder is dedicated to upholding environmental responsibility and preserving biodiversity. Our Company

through GMM Pfaunder Foundation has taken up projects such as Urban Afforestation, Marine Megafauna Rescue, and Coral Reef Restoration demonstrate our proactive approach in mitigating risks and protecting biodiversity.

Through these initiatives, we uphold our commitment to environmental stewardship and making a positive impact on ecosystems.

Urban Afforestation - Tree Plantation Drive at Hyderabad

In our commitment to expanding the green cover in non-forest areas, GMM Pfaunder Foundation has forged a partnership with SayTrees Environmental Trust for the transformative Urban Afforestation program at Secunderabad, Telangana, enhancing the local greenery and fostering environmental sustainability within the community.

An independent need assessment was carried out to meet the aim of the programs which is to restore lost flora and fauna, restoring ecological balance in the area. Through meticulous planting and ongoing maintenance, the project revives the green cover

and enhances the area's carbon sink capacity as a testament to urban forestry efforts, utilizing local resources. By improving soil health and promoting biodiversity, this initiative contributes to India's ambitious goal of achieving a 33% forest cover, surpassing the current 24%. Beyond ecological benefits, the program serves as a unifying force, engaging communities in addressing land degradation and embracing the power of afforestation. The resulting green cover will attract a diverse range of birds and insects, further enriching the area's biodiversity.

The impact of the program is carefully monitored and documented. The survival rate and height of the saplings are diligently tracked through comparative

photos taken before and after the planting process. The biodiversity change is also captured through pictures and recorded observations, highlighting the positive transformations unfolding in the area.

Under this initiative, a total of 2000 saplings were planted using the Miyawaki plantation technique, ensuring optimal growth and sustainability. Local resources were actively engaged to implement and maintain the thriving green cover, fostering a sense of ownership and community involvement.



Restoration of Coral Reefs:

The partnership between GMM Pfaunder's and ReefWatch Marine Conservation in the restoration of coral reefs in the Andaman Islands has been an impactful CSR initiative since 2018. ReefWatch Marine Conservation, a non-profit organization established in 1993, actively works towards sustainable management and conservation of coral reef ecosystems. The coral reefs in the Andaman Islands face multiple threats, including global warming, ocean acidification, overfishing, and deteriorating water quality. This initiative aims to restore and preserve marine life in this fragile ecosystem.

The Re(ef) Build approach utilized in this project combines physical and biological restoration methods, promoting the growth of

coral fragments by attaching them to underwater metal structures connected to mineral accretion devices. Since 2017, this innovative technique has successfully provided habitat for several coral fragments, resulting in the colonization of 23 new species on 9 Artificial Reefs. Regular maintenance dives ensure the removal of unwanted algae and the preservation of the marine ecosystem.

As a result of deliberate efforts, the artificial reef has fostered the presence of diverse marine life. The reef now hosts various fascinating species, including Juvenile Octopus, Ghost Pipe Fish, Yellow Spotted Box fish, Flathead Crocodile Fish, and a vibrant school of Bluefin Trevally. These marine inhabitants can be

observed thriving within the reef's confines, with the Bluefin Trevally exhibiting their hunting prowess as they chase schools of smaller fish in the Dome.

In addition to restoration efforts, we have actively engaged with the local community through various outreach programs. The first Educational Tour Group has successfully completed the Re(ef) generate Course, providing participants with valuable knowledge on coral reef restoration. Furthermore, we are proud to introduce "Healthy Me, Healthy Sea," a weekly out-of-school program specially designed for the local children of Chidiyatapu. This program aims to educate and inspire these young individuals about the importance of a healthy marine ecosystem and its direct impact on their own well-being.

Marine Megafauna Rescue at Karnataka Coast

GMM's continuous partnership with ReefWatch Marine Conservation in the Karnataka Marine Megafauna Rescue program has yielded results since 2019. This collaboration with the non-profit organization, ReefWatch, has been instrumental in safeguarding Karnataka's diverse marine ecosystems.

The project this year also focused on addressing the distressing issue of Marine Megafauna Strandings, where large marine animals become stranded on beaches or in shallow waters. These stranding events involve endangered or

vulnerable species such as whales, dolphins, sea turtles, and sharks. Quick and effective response is crucial to mitigate harm to these stranded animals.

As a result of the program's efforts, since 2019, a total of 224 cases of Marine Megafauna stranding were addressed, including Humpback dolphins, sea turtles, cetaceans, and Masked Gannet of which 89 cases were addressed this year. Just as last year, the program identified, monitored, and protected seven sea turtle nests with barricades along the coastline. Additionally, in collaboration with the Forest Department, a Dolphin Rescue

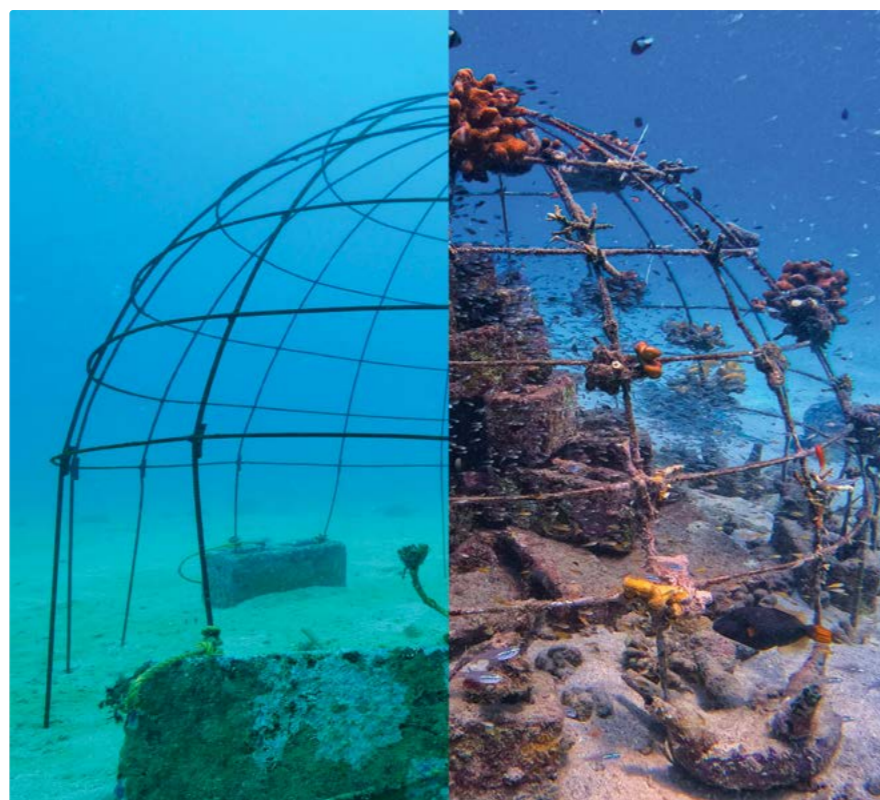
and Rehabilitation Center was established along the Karnataka Coast, further strengthening rescue and conservation efforts.

Through workshops and community outreach, awareness was raised among local communities about the threats sea turtles face and the importance of their conservation. Workshops were conducted at various educational institutions and sessions were organized for school children, forest staff, and during the Wildlife Week.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Impact Assessment

The Company appointed an independent impact assessment agency to understand the impact of environmental projects undertaken by ReefWatch Marine Conservation, assess the programs on the benchmarks and make recommendations for course corrections, if any. Mr. M. Muralidharan, Senior Marine biologist from WWF-India was an integral part of this assessment.



Restoration of coral reefs at the Andaman Islands

Methodology:

1. Each reef structure was examined at the sites of coral attachments.
2. Each coral fragment was assessed for conditions including size, stage of attachment and if the coral was live/ dead.
3. Transects were carried out along the structures followed by the adjoining reef to observe reef-associated species like fishes. This measure was used

to indicate the success of the structures replicating a natural reef system.

Key findings:

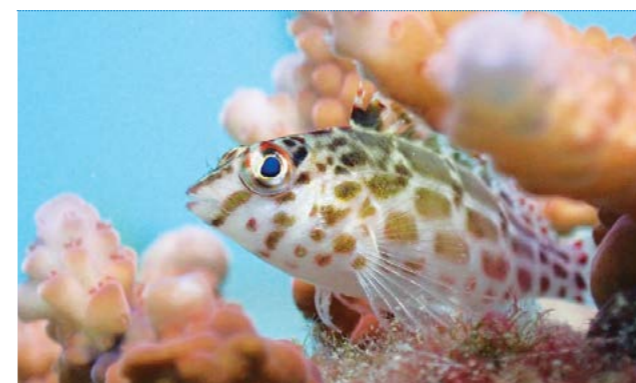
1. Since 2017, 9 artificial reefs structures have been placed with successfully attachment of coral fragments.
2. Approximately 40 coral-associated species and ~23 species of reef fish were observed at the artificial reefs which indicate that the structures are in the process of acting similarly to natural reefs.

3. A high rate of successful attachment of live coral to the structures was noted, with minimal instances of dead or bleached fragments.
4. Techniques utilized have been adapted to changing technologies.
5. The techniques developed by ReefWatch are a learning system for government as well as other agencies.
6. Improved local support with communities with their outreach programs.

Field Results:

Category	Artificial Structure	Natural Reef
Genera	21	25
Species	23	35
Functional Groups	6	7
Total individuals	112	230
Herbivore - species	3	7
Piscivore - species	3	4
Corallivore-species	0	5
Macroinvertivore - species	12	14
Omnivore/ Detritivore - species	2	4
Planktivore - species	3	1

The overall assessment suggests that the project is positively meeting its objective of restoring and rehabilitating corals.



Marine Megafauna Rescue at Karnataka Coast

Methodology:

A desk assessment of the field protocol and rehabilitation techniques was reviewed based on the project report and the results of successful rescue operations carried out by the field team.

Key findings:

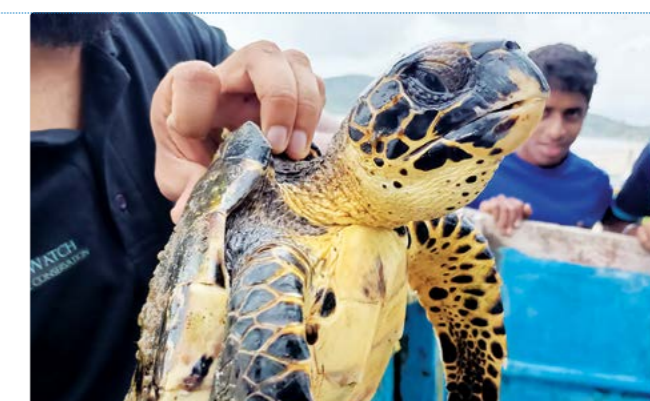
1. 224 stranded marine megafauna observed over a period of 3 years which included

dolphins, whales turtles and sea birds of which 148 dead and stranded were sea turtles, 60 cetaceans, 7 sea birds and 9 others including sea snakes, fishes & sharks.

2. 18 turtles and 7 sea birds were successfully rescued, rehabilitated and released back to the sea.
3. The major causes of stranding were observed to be

entanglement in ghost fishing nets, followed by boat-related incidents, internal injuries, parasites, infection and oil spills.

The overall assessment indicated that the project is successful in the various evaluation parameters such as relevant scope, reliability of data, clear reporting and credible findings.



Success Story:

"A pair of female Olive Ridely sea turtles entangled in a ghost net and washed ashore in Karnataka were rescued by local fishermen. It was observed that one the turtles' was suffering from flipper injuries. The required treatment and medication was provided by the ReefWatch veterinarian and thereafter the turtle was released into its natural habitat" - ReefWatch Marine Conservation

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Dissemination of Improved Biomass Cookstoves ("IBCS") in the rural areas of Gujarat

GMM Pfaunder Foundation has partnered with Sardar Patel Renewable Energy Research Institute (SPRERI) on Project IBCS, a CSR initiative aimed at improving the lives of rural communities in Gujarat. The project addressed the health and environmental challenges faced by women in rural India who cook in poorly ventilated environments using inefficient biomass-burning stoves. SPRERI developed IBCS that maximize fuel efficiency, emit fewer harmful emissions, and enhance user safety.

The project's need assessment revealed the adverse effects of unclean household fuels on pollutant exposure, particularly among women and children. By providing and installing IBCS, the project sought to create a better cooking environment and bring impactful changes to the lives of poor farmers in rural villages.

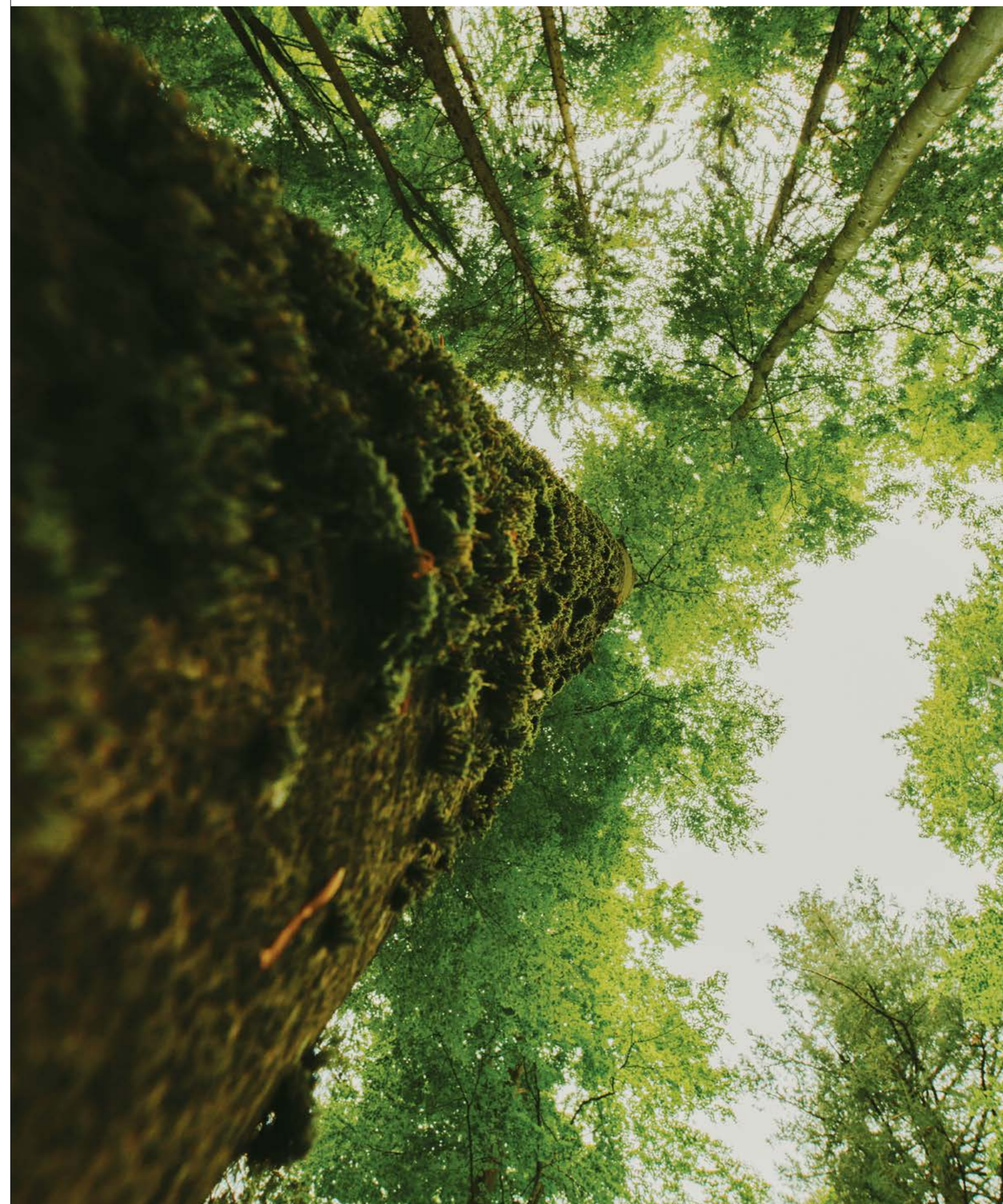
The adoption of IBCS resulted in various benefits, including a reduction in fuelwood collection time, allowing for more productive activities. Efficient cooking improved outcomes while creating

a healthier and safer environment for households.

Additionally, the project contributed to a reduction in medical expenses and the mitigation of greenhouse gas emissions.

To raise awareness and promote the benefits of IBCS, cookstove awareness sessions and demonstrations were conducted in three locations within the Anand and Panchmahal districts of Gujarat. Approximately 850+ cookstoves were distributed under this program.

Particulars	Outreach
Villages Covered	13
Cookstoves distributed	850+
Direct Beneficiaries	850+
Indirect Beneficiaries	3500+
Reduced carbon emission (per year)	6092 tonnes
Wood saved per cookstove	190 tonnes



Social



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AT GMM Pfau

dler, we are driven by a vision to create a better future, and our commitment to sustainability extends far beyond delivering exceptional products and services to our customers. We recognize that fostering holistic and inclusive growth for all our stakeholders is vital to the continued well-being of our Company. Engaging and involving our employees, supply chain partners, customers, and the community in our sustainability-led growth journey is a cornerstone of our approach.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

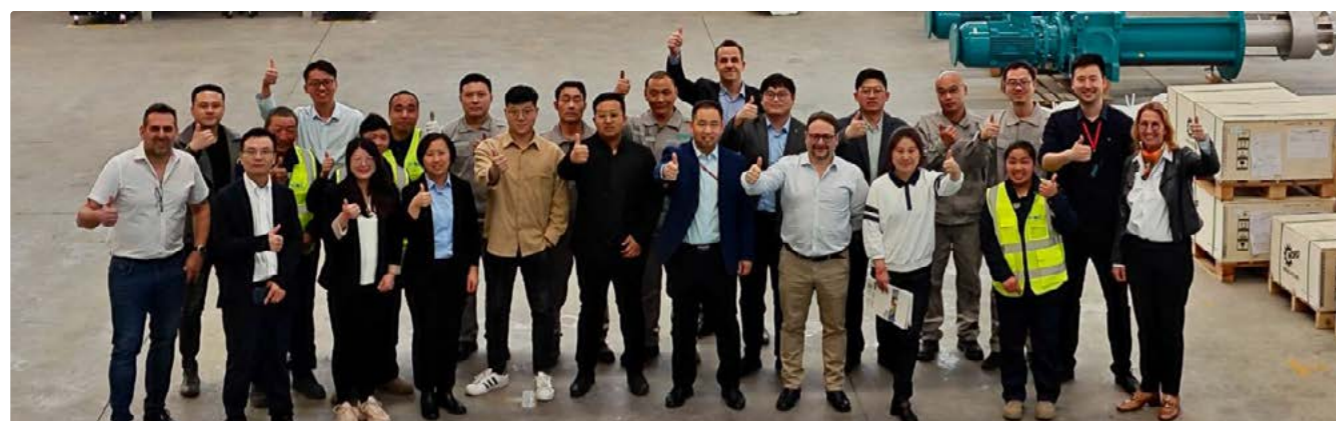
EMPLOYEES

The success story of GMM Pfaudler is a result of the abilities and contributions of our employees. It is their commitment and efforts that bring our goals to fruition. We provide a meritocratic workplace that provides equal opportunity and encourages excellence irrespective of race, religion, color, nationality, gender, age, disability, etc. Multiple professional growth

and development opportunities and competitively benchmarked remuneration and benefits are key in helping us attract the right talent. Our comprehensive people policies are designed to make every one of our employees feel secure and confident. Given the nature of our operations, we have a relentless focus on measures that ensure the health and safety of our employees.

A well-defined Code of Conduct guides and mandates ethical and inclusive behavior across our operations, including our subsidiaries and the value chain.

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



Workforce Diversity

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

Recognizing the importance of diversity, in FY23, we conducted a special GET (Graduate Engineer Trainee) recruitment drive focused exclusively on female candidates. Additionally, we have undertaken comprehensive workforce planning to identify positions where women employees will be hired. By actively working to increase gender diversity, particularly in the

manufacturing sector where it is limited in India, we strive to create a more inclusive and balanced workplace. To ensure a safe and inclusive environment, we have implemented measures and policies, including regular training on the Prevention of Sexual Harassment (POSH).

MORE DETAILS ON THE CODE OF CONDUCT & ETHICS POLICY, POSH & WHISTLE BLOWER POLICY ARE AVAILABLE AT OUR WEBSITE: <https://www.gmmpfaudler.com/investors/policies-programmes>

Employee Break-up: FY23

Year	Employee Type	Employee	Age Group (no.)			Gender (no.)	
			<30 yrs	30-50 yrs	>50 yrs	Male	Female
FY22	Permanent	743	171	521	51	707	36
FY23	Permanent	809	194	567	48	779	30

Hiring and Turnover

Year	New Hires	Age Group (no.)			Gender (no.)	
		<30 yrs	30-50 yrs	>50 yrs	Male	Female
FY22	201	67	129	5	194	7
FY23	183	95	88	0	179	4

Attrition

Year	Attrition	Gender (no.)	
		Male	Female
FY21	27	25	2
FY22	74	67	7
FY23	122	112	10

Equal Opportunities & Pay

In our commitment to fairness and inclusivity, we have implemented initiatives for a diverse and inclusive workplace. Competency Based Interviewing (CBI) ensures candidates are evaluated solely on skills and abilities, promoting equal opportunities.

Salaries are benchmarked to qualifications, experience, and abilities, with no reliance on other criteria.

Our comprehensive remuneration package includes bonuses, stocks, and benefits based on performance and years of service, recognizing excellence and loyalty.

All employees receive remuneration exceeding minimum wage, ensuring a decent standard of living and fair compensation.

Ratio of Basic Salary and Remuneration of Women to Men

Employee Category	Officers	Staff
Ratio of Basic Remuneration of Women to Men	0.99	1.38

Employee benefits

GMM Pfaudler is dedicated to enhancing employee well-being and productivity while exhibiting corporate social responsibility through a comprehensive employee benefits package. Our offerings include complete health and accident insurance coverage for both male and female employees, alongside

access to various medical facilities and services like the Occupational Health Centre, Employee Health Care Scheme, Company ambulance, and hospital partnerships. Moreover, our employees, as well as their parents, are protected by the Group Medical Policy. We prioritize the needs of working parents by providing maternity

and paternity benefits, day care facilities, all of which extend to 100% of our male and female employees; through these facilities we have achieved a 100% return-to-work rate for permanent employees who took parental leave, showcasing our commitment to supporting work-life balance and seamless transitions.

Training & Development

Comprehensive skill development programs are crucial for equipping our employees to meet client expectations and maintain smooth operations. The skills and competencies of our employees play a pivotal role in executing labor-intensive manufacturing processes accurately and maintaining product quality. We prioritize leadership development, functional skills, and operational training. Our programs also focus on enhancing productivity, safety, and minimizing losses. Additionally, we collaborate with respected external trainers to offer self-paced and instructor-led programs covering personal and professional development areas such as leadership and critical thinking.

In FY23, we made significant strides in our Training and development efforts. One notable achievement was the completion of 40+ training sessions, covering 15+ topics, which amounted to an impressive 7500+ man hours dedicated to skill and competency development. Moreover, we placed a strong emphasis on safety by providing safety training to 100% of our permanent and contractual workers.

Our commitment to sustainability extends beyond skill development and safety. We also recognized the importance of Environmental, Social, and Governance (ESG) training. To ensure its effectiveness, we devised a comprehensive action plan. This plan involved identifying key areas for ESG training and forging partnerships with relevant

training providers. We integrated ESG training into our NEEV calendar, ensuring its inclusion in our organizational activities. Additionally, we diligently tracked and reported quarterly participation to management, reinforcing our commitment to transparency and accountability.

Looking ahead to the future, we have outlined our plans for FY24. Specifically, we aim to target training programs that focus on ESG sensitization and promote diversity and inclusion within our organization.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Workplace Health & Safety

At GMM Pfaudler, creating a safe and healthy workplace environment is of paramount importance to us, as it is crucial for the seamless operation of our business. We are fully committed to fostering a work environment that is free from injuries, fatalities, and both acute and chronic illnesses, addressing both physical and mental health concerns.

This commitment is reinforced through our utilization of cutting-edge technology, comprehensive training programs, the provision of appropriate personal protective equipment, and a rigorous incident tracking and reporting system.

During the reporting year we fostered a safe and healthy workplace culture through a series of impactful initiatives at its manufacturing locations which helped us to reduce recordable work-related injuries by 27%.



Zero Accident & Zero Injury

In our quest to be a Zero Accident & Zero Injury Organization, we collaborated with Momentum India to launch a Safety Culture Enhancement drive. This initiative primarily focused on training our employees in Behaviour Based Training (BBS). BBS is a proactive approach that aims to increase safe behaviour within our organization by observing and analysing individual behaviours.

By identifying the consequences of certain behaviours and providing appropriate reinforcement, we actively work towards reducing hazards, risks, and incidents. The BBS program has been successfully implemented across our corporate office and three key locations: Karamsad, Vatva and Hyderabad. To facilitate the identification and mitigation of Unsafe Acts & Unsafe Conditions (UAUC), we utilize the BBS checklist and the

MI Safe App, which is a predictive analytical SaaS tool to identify, register, and mitigate UAUC. We understand the importance of tailored training, which is why we had provided different sessions for different employee levels, including CXO-Top Management, Steering Committee members, Observers & Workers. These training sessions are conducted in English, Hindi and Telugu to ensure universal understanding.

Safety Drive at Karamsad factory	Project Utkarsh at Vatva factory	Project Spurthi at Hyderabad factory
<ul style="list-style-type: none"> ISO 45001 recertification Safety Audits as per IS 14489 Implementation of Contractor Safety Management System Testing of equipment to check safe working conditions (Air Tanks & Lifting Tools) Installation fire safety devices in all offices Enhancement of safety culture by visual aid 	<ul style="list-style-type: none"> ISO 45001 certification Construction of scrap yard Quarterly safety assessment Periodic one-point lesson LOTO implementation 	<ul style="list-style-type: none"> ISO 45001 certification PPE awareness sessions LOTO implementation Safety system improvement Established Occupational Health Center Testing of equipment to check safe working conditions (Air Tanks & Lifting Tools) Construction of scrap yard Construction of Industrial Effluent collection tanks

Reward & Recognition

In FY22, the organization introduced the iAppreciate Reward & Recognition Program to reinforce valued behaviours and leadership messages. It encouraged managers and the leadership team to acknowledge and reward desired behaviours,

fostering collaboration and providing a platform for peer appreciation. Building on this success, iAppreciate 2.0 was launched. This enhanced version aligned recognition with individual and business goals, recognizing exceptional performance exceeding grade expectations.

Recognition criteria encompassed performance tied to goals and consistent display of core values, impacting the organization's internal and external environment positively.

Human Rights

GMM Pfaudler designates Compliance Officers to enforce the GMM Code of Conduct, safeguarding human rights. The Company is committed to upholding the dignity and rights of all individuals, both within the organization and with business partners.

It strictly prohibits unlawful child labour and exploitation, thus setting a minimum employment age of 18. Forced or involuntary labour is not tolerated, ensuring voluntary employee participation. To uphold human rights and foster continuous improvement, the Company established complaint

mechanisms, through its Whistle Blower Policy, empowering the reporting of unethical behaviour, fraud, or violations of the Company's code of conduct or ethics.

SUPPLIERS

At our Company, we recognize that the nature of our business requires us to work closely with multiple supply chain partners to procure the inputs we use. In line with our agreements with customers, most of our raw materials are sourced from designated suppliers. However, we have made deliberate efforts to engage partners located closer to our facilities.

These include our Sustainable Procurement Policy and Supplier Code of Conduct, which outline our expectations for sustainable practices.

In FY23, we successfully implemented several collaborative initiatives. These included the procuring 34% of our input material from local and neighbouring districts, reuse of 70% of wooden boxes and materials received from suppliers for product packaging, replacing 91 metric tons of non-recyclable packaging stretch film with recyclable alternatives, prohibiting the use of single-use plastic and thermocol in our products and packaging materials, and eliminated asbestos from our glass-lined vessel gaskets.

This approach not only reduces carbon emissions associated with transportation and storage but also allows us to manage costs more effectively.

To ensure adherence to our guideline, we conduct regular assessments through audits and analysis. These evaluations help us understand the sustainability risks and compliance levels within our supply chain. In FY24, we aim to focus on conducting supplier audits for environmental and social aspects and perform sustainability risk analysis for our top 50 suppliers.

Our Sustainable Sourcing strategy encompasses three key elements: Guidelines, Assessment, and Collaborative Innovation.

Furthermore, our Collaborative Initiative aims to identify projects that minimize waste, maximize resource efficiency, and promote sustainable production and consumption.

Under the Guideline component, we have developed exclusive policies and procedures for our suppliers that govern the way we procure materials.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

CUSTOMERS

Our dedication lies in leveraging our core strengths to generate value for our customers. Whether it's our technological prowess, manufacturing capabilities, global reach, or trusted brand, we strive to establish meaningful connections.

We actively engage with our customers, immersing ourselves in their processes, requirements, and challenges. By providing our advanced technology and extensive expertise, we not only

meet their expressed needs but also uncover and address undisclosed requirements.

Through this collaborative approach, we develop tailored solutions that not only benefit our customers but also serve as innovative growth platforms for GMM Pfaudler.

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

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

Elimination of Asbestos in Glass-Lined Vessel Gasket

Asbestos is a mineral that was once widely used in many products, including gaskets, due to its heat-resistant properties. However, asbestos has been linked to serious health risks, including lung cancer, mesothelioma, and asbestosis.

Initially, the Glass-Lined vessel gaskets comprised of 50% asbestos and 50% non-asbestos material. However, the installation process necessitated grinding, inadvertently generating asbestos dust and scrap.

Fully aware of the dangers associated with asbestos, we diligently followed strict protocols and compliance guidelines to dispose of the asbestos scrap responsibly through an authorized agency.

Recognizing the environmental and health hazards posed by asbestos, we made a strategic decision to transition to gaskets made exclusively from non-asbestos materials. This crucial shift, though accompanied by an additional cost of 20 lakhs to our Company, aimed to eliminate the use of asbestos and its associated risks.

Post multiple trials at customers' end and with help of value chain partners we were able to eliminate 13 tonnes of asbestos material, reducing the environmental impact and protecting the health of our suppliers, workers and customers. All the gaskets used in our Glass-Lined Vessels now made up of 100% non-asbestos material, and we receive from the gasket manufacturer stating use of 100% non-asbestos material.



GMM Pfaudler Sealing Technology

GMM Pfaudler's Interseal product line, featuring the dry9000 Seal and ace5000 seal, presents an innovative solution that not only enhances efficiency but also integrates sustainability features. These seals offer a cost-effective and time-saving alternative to conventional seals, addressing their flaws and reducing the need for extensive maintenance.

One of the key sustainability advantages of these seals lies in their contamination-free production process, which mitigates the risk of product loss and safeguards both people and

the environment. Additionally, the dry running technology eliminates the requirement for supply systems, minimizing the resources needed for cleaning and monitoring.

Moreover, these seals comply with stringent standards such as FDA, GMP, ATEX, and TA Luft, ensuring exceptional safety and quality.

By selecting Interseal, industries can not only achieve cost and time savings but also actively contribute to a sustainable future by reducing their environmental impact.

Driving Sustainable Growth

GMM Pfaudler's dedication to sustainability is evident in its embrace of Industry 4.0 advancements. Through the adoption of cutting-edge technologies, the Company has enhanced its environmental impact, minimized waste, and optimized resource utilization. In the FY23, GMM Pfaudler successfully implemented several transformative projects that pave the path towards a sustainable future. These initiatives encompass innovations such as Simple Touch by QR, IWMS (Inspection Welding and Management System), iAppreciate 2.0, and GL Engineering Sheet.

Simple Touch by QR:
A Sustainable Solution for Easy Access to Glass-Lined Equipment Information

For our customers GMM Pfaudler has in house developed a mobile application that provides quick and easy access to essential information about our Glass-Lined equipment while promoting sustainability.

With Simple Touch by QR, customers can scan the QR code on the equipment nameplate and gain instant access to documents such as the GA drawing of the equipment, user guide, and spare parts list with detailed references to ease and speed up their ordering/re-ordering.

By providing this information on a mobile application, we eliminate the need to share hard copies or CDs, reducing paper, and plastic waste and reducing the carbon footprint associated with its transportation and storage.

Moreover, the application is compliant with The Data Privacy Act, which means that customers can access the information without worrying about their personal data being shared or misused. Also, the application doesn't allow downloading, printing, or sharing of documents, promoting digital sustainability.

In addition to providing easy access to information, Simple Touch by QR also includes an Inquiry form to place orders for spares or new products, a Feedback form to raise service requests and a Contact Us page provides GMM Pfaudler relevant team member contact details in case of questions and/or intervention.

SOCIAL INITIATIVE THROUGH CSR PROJECTS

Healthcare

We have allocated resources to expand the reach of quality healthcare and have implemented various initiatives to provide

affordable and preventive healthcare services within local communities.

Our goal is to improve healthcare accessibility and contribute to the well-being of the communities we serve.

Project Sparsh 2.0

GMM Pfaudler has been supporting Charutar Arogya Mandal (CAM) since 2016 in the implementation of **Project SPARSH** (Shree Krishna Hospital Programme for Advancement of Rural and Social Health). This collaboration aims to bring modern healthcare facilities to local communities in Karamsad, Gujarat.

Through the project, trained Village Health Workers (VHWs) provide appropriate healthcare services in their own villages, complemented by health centres in nearby towns/villages and a tertiary care centre for critical cases. SPARSH focuses on preventing, treating, and caring for chronic diseases such as diabetes, hypertension, cancer, and chronic respiratory diseases, contributing to reduce healthcare costs, improved productivity, and increased life expectancy.

Project Sparsh 2.0 is our new initiative aimed at addressing Non-Communicable Disease (NCD) risk indicators such as Pre-Obesity, Central Obesity, Pre-Hypertension, and Pre-Diabetes. The project focuses on screening patients, providing interventions, and raising awareness about NCDs to improve overall health outcomes and promote sustainable healthcare practices.

Various interventions are implemented under Project Sparsh 2.0, including medical camps, school-based and community awareness sessions, home delivery of medicines for chronic patients, and home visits for bed-ridden patients. These activities ensure comprehensive coverage and engagement with the target population.

GMM Pfaudler has provided financial assistance to establish a mobile health unit, operated by Charutar Arogya Mandal, with full-time doctors, paramedics, and healthcare workers. This unit serves approximately four villages daily, offering free medical diagnosis and basic treatment. GMM Pfaudler's support extends to 100 villages, benefiting a population of around 300,000 people.

In FY23, 10,000+ patients were reached through 400+ medical camps.

Since its initiation in 2016, Project Sparsh has made significant progress, reaching a total of 70,000+ patients through 2000+ medical camps.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Upgradation of Maternity Ward at ESIC Hospital, Hyderabad

This year, we have expanded our efforts in the healthcare sector with a new project which focuses on enhancing the facilities and quality of services in the Mother & Childcare division of ESIC Hospital in Nacharam, Hyderabad. The hospital, operated by the Employees' State Insurance Corporation (ESIC), provides healthcare services to a minimum

population of 1,50,000 from nearby areas, mostly comprising workers and their families from various industries.

To ensure effective and meaningful CSR initiatives, a need assessment was conducted to identify priorities, engage stakeholders, set realistic goals, optimize resources, and measure impact with transparency and accountability. This approach helped align the project with the hospital's needs.

The project aimed to upgrade infrastructure and provide essential equipment for improved patient care. This included ultrasound machines for managing emergency cases, a fully automated clinical chemistry analyser for instant reports, and bed-side monitors for post-operative vital monitoring.

As a result of the initiative, over 23,000+ biochemistry reports were generated, more than 900 ultrasounds were conducted, and the project positively impacted the lives of over 5,500+ individuals.

Success Story:
"A nine months pregnant 28-year-old female was admitted to the labour room with severe pain in the abdomen and decreased baby movements. An emergency scan was conducted using the ultrasound machine donated by GMM Pfudler Foundation and the patient was taken for emergency cesarean section and a healthy baby was delivered. Ultrasound scan was very helpful in providing timely diagnosis thereby saving the lives of both the mother and the baby" - **ESIC Hospital**

Education

We at GMM Pfudler are committed to supporting education in our community. We believe that empowering individuals with knowledge is vital for success in a changing world.

Our investment in education aligns with the United Nations Sustainable Development Goals, creating a sustainable and equitable future. We prioritize education in underprivileged areas and marginalized segments, ensuring accessibility for all.

Through classrooms, workshops, mentorship, and career programs, we provide inclusive learning experiences. By fostering a culture of learning and offering resources and support, we empower individuals to navigate the challenges of today.

JV Patel ITI

GMM Pfudler's partnership with JV Patel Industrial Training Institute (JVP ITI) aims to promote education within local communities, ultimately enhancing their employment opportunities. JVP ITI, is also an approved Training Centre under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY 3.0), provides skill development training to school and college dropouts as well as unemployed youths.

This program is designed to meet UN SDG4, which aims to "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all." It equips participants to secure jobs in the technical domain, either in the government or private sector. With a well-equipped institute and qualified instructors, JVP ITI offers eight trades certified by the National Council for Vocational

Training (NCVT) and two trades certified by the Technical Education Board (TEB). The ITI's objectives include ensuring a steady flow of skilled labour in various industries, improving the quality and quantity of industrial production through systematic training, and reducing unemployment among educated youth by equipping them with industrial skills. Over the past six years, a total of 1300+ students have benefitted from various programs with the JVP ITI.

Highlights FY23:

- 100% admission rate achieved in NCVT courses offered by the institute
- 13 Memorandum of Understanding have been signed with various industries to facilitate industrial visits, on-job-training, and apprenticeship opportunities for the students

- 6 Skill development workshops conducted on AutoCAD, Virtual Reality, and Design of Electric Scooter and Fire safety
- Regular counselling sessions and training on employability skills have been conducted to enhance participants' abilities
- The Institute conducted a total of 36 industrial visits, providing the students opportunities with practical learning experience, industry insights, networking, and career exploration
- The Institute conducted 14 off-campus and 10 on-campus recruitment drives, resulting in the enhanced placements
- Three health awareness sessions including ENT & Dental camps were organised by the institute in collaboration with Shree Krishna Hospital under project SPARSH 2.0 for the students

Infrastructure Development

An impact assessment of the JV Patel ITI project was undertaken by an independent agency in FY22 to evaluate the project's overall impact on the students, their families, and the wider community. The key findings from the impact assessment indicated that the project holds a great potential towards creating positive impact on the lives of the students and their families. Accordingly, in FY23 the Foundation undertook a comprehensive renovation of the institute to modernise its facilities in a phased manner. The upgraded infrastructure and latest technology will provide students with a conducive learning environment, enabling them to acquire better knowledge and practical experience thereby improve the quality of education and enhance employment prospects for students.

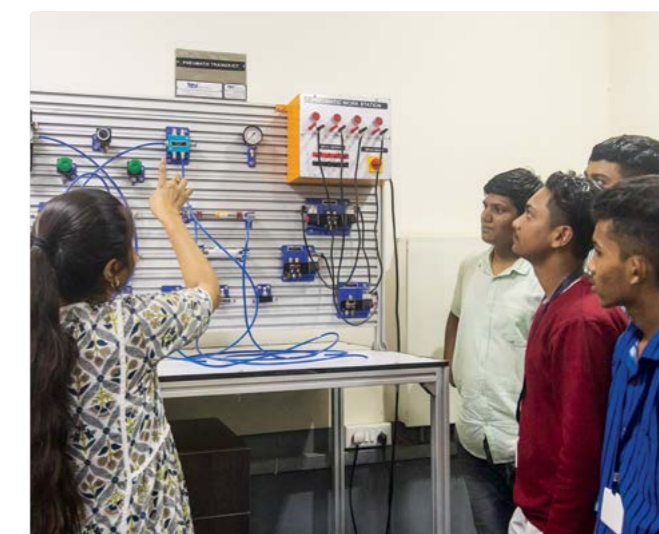
Highlights FY23:

- The renovation encompassed various aspects like installing paver blocks at the entrance to address water-logging issues, separate washroom for females, repairing damaged and stiff windows for better ventilation, renovating poorly maintained flooring to ensure safety, addressing inadequate lighting and fans to reduce eye strain and stress, and repairing leakages in the ceilings to utilize vacant spaces
- The Institute also setup a new IT lab which provides students with a practical and hands-on learning environment. It allows them to apply their theoretical knowledge with software and hardware components and gain practical experience in their related fields
- Installation of additional CCTV cameras and new security cabin at the Institute has created an

accessible point for security personnel to monitor and control access to the premises resulting in safer and more secure environment for both the students and staff members of the institute

Ranking

JVP ITI has received a total score of 6.7 out of 10 from Directorate General of Training (DGT)- Ministry of Skill Development and Entrepreneurship (MSDE) for FY23. The institute had a score of 1.49 in the year 2018. The current score shows a substantial progress and growth of the institute over the years.



Solar Energy Technician Course

Solar energy, with its remarkable growth potential, has become a driving force in the global electricity landscape, fuelled by technological advancements, cost reductions, and supportive policies. Recognizing the increasing demand for skilled solar energy technicians, GMM Pfudler took a proactive step

by supporting the Solar Energy Technician Course at Telangana Academy for Skill & Knowledge (TASK), Hyderabad as a pilot project.

In the FY23, 50 students enrolled in the Solar Energy Technician Course. The course offers a comprehensive curriculum covering various aspects of solar energy, including fundamentals,

panel installation, electrical wiring, maintenance, troubleshooting, and safety practices. To ensure practical experience, the course includes mandatory on the job training, allowing students to gain hands on experience and build confidence in real-life service delivery scenarios. Eligible candidates will also receive job assistance, facilitating successful placements within the industry.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

EMPLOYEE VOLUNTEERING

At GMM Pfaudler, we actively promote social development through employee participation in volunteering. This fosters their commitment to making a positive impact and strengthens our connection with communities. Our action plan includes identifying opportunities within existing CSR activities, such as beach clean-ups, blood donation camps, and providing soft skills training to students.



ENT & Dental Camps

GMM Pfaudler Foundation in association with Shree Krishna Hospital had organized ENT and Dental Camps for the students of JVP ITI Karamsad, Gujarat. Approximately 200+ students participated in the ENT and Dental camps. Employees from GMM Pfaudler Ltd. volunteered in the camps making it a huge success.



Blood Donation Camp

GMM Pfaudler Foundation in collaboration with Shree Krishna Hospital organised a blood donation camp at JVP ITI. Approximately 30+ employees from GMM Pfaudler along with students and staff members of JVP ITI participated in this camp.



Tree Plantation Drive

GMM Pfaudler Foundation in association with SayTrees Environmental Trust planted 2000 saplings using Miyawaki technique under the project Urban Afforestation at Secunderabad on March 15, 2023. Approximately 40+ employees participated in the tree plantation drive initiative.



Governance



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AT GMM Pfaudler, integrating environmental, social, and governance (ESG) considerations into our governance framework has enabled us to effectively manage risks, seize opportunities, and make meaningful contributions to both society and the environment. Our steadfast dedication to responsible governance not only cultivates trust among our stakeholders but also propels sustainable growth and generates enduring value. By adhering to high standards, we strive to set an example for a sustainable future, while placing the diverse needs of our stakeholders at the forefront, ensuring utmost accountability and responsible resource utilization. In this governance section of our sustainability report, we will provide a comprehensive overview of our governance practices, highlighting our commitment to transparency, ethical conduct, and meeting the evolving expectations of our stakeholders.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

BOARD & POLICIES

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

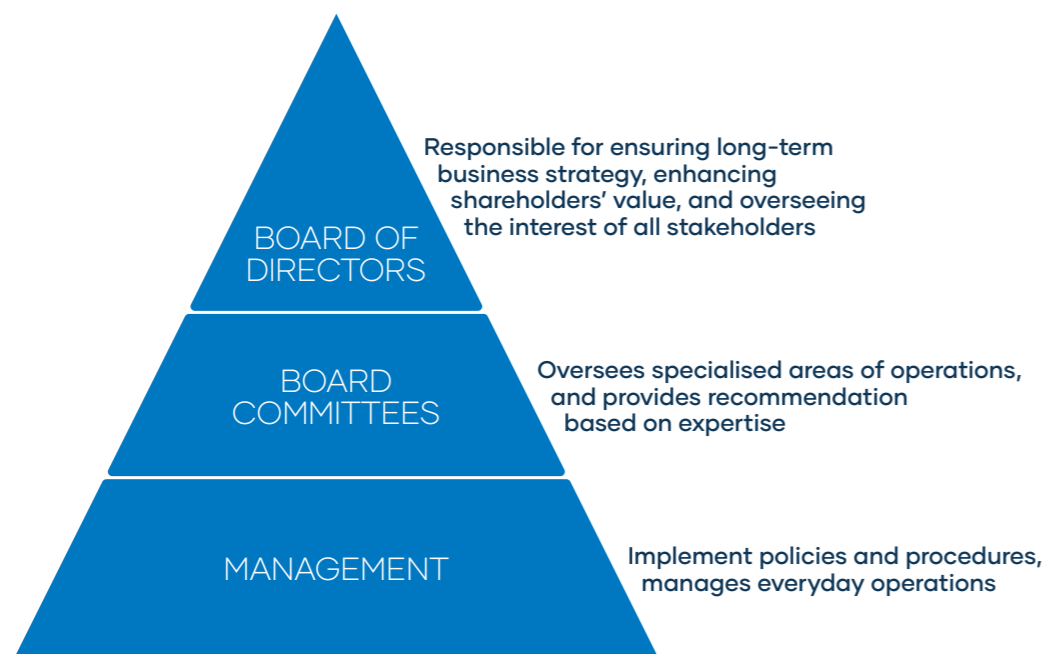
Board ensures compliance with relevant regulations led by our Code of Conduct and ethical standards wherever our Company and subsidiaries are present. Our Board comprises experienced and competent professionals who bring

the strategic leadership and skills needed to grow our business led by our ESG goals. Our Board of Directors met 7 times in FY23, with an average participation rate of 96.63%.

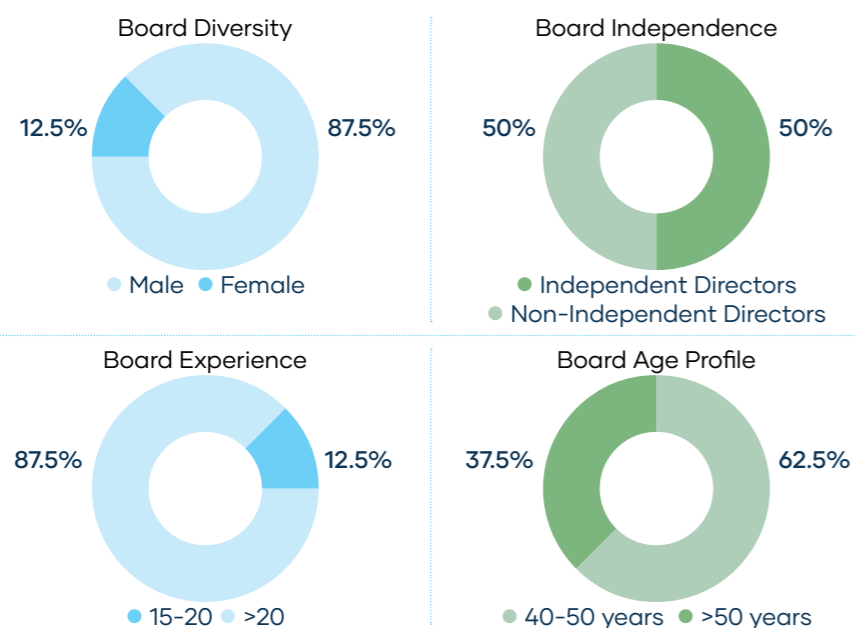
Enabling Governance structure
Our Governance framework is based on the Company's core principles and taken forward by the Board's standing committees. The Committees ensure that we

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

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



Board Statistics



Board Committees

Board Committees aid in discharging duties by providing valuable insights, enhancing governance policies, and submitting periodic reports to the Board of Directors.

Board of Directors	
Chaired by Independent Director	
8 Members	50% Independence

Audit Committee	
Chaired by Independent Director	
4 Members	75% Independence

Nomination & Remuneration Committee	
Chaired by Independent Director	
4 Members	75% Independence

Corporate Social Responsibility Committee	
Chaired by Independent Director	
4 Members	50% Independence

Risk Management Committee	
Chaired by Independent Director	
5 Members	40% Independence

Stakeholders Relationship Committee	
Chaired by Independent Director	
4 Members	33% Independence

Allotment Committee	
Chaired by Non-Executive Director	
3 Members	33% Independence

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Management

The Managing Director provides overall direction for effective management of the Company. The Managing Director is responsible

for corporate strategy, brand equity, planning, external contacts and all-important management matters. In the operations and functioning of the Company, the

Managing Director is assisted by the Chief Executive Officer and Chief Financial Officer along with a core group of senior level executives.

Policies



Scan the QR Code to see our policies

Our policies serve as an enabling framework for realising our governance vision and ensuring transparency within and outside our organisation.

Anti-Corruption Policy	Communications Policy	Policy for Preservation of Documents & Archival of Documents
Anti-Sexual Harassment Policy	Dividend Distribution Policy	Policy on Related Party Transactions
Antitrust Guidelines	Environment Social Governance Policy	Policy and Procedure for enquiry in case of Leak/ Suspected leak of Unpublished Price Sensitive Information
Board Diversity Policy	Export Compliance Guidelines	Risk Management Policy & Strategy
Code of Conduct & Ethics Policy	Familiarization Policy	Suppliers' Code of Conduct
Code of Conduct for Prevention of Insider Trading	Nomination, Remuneration & Evaluation Policy	Whistle Blower Policy
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	Policy for Determining Material Subsidiaries	
Corporate Social Responsibility Policy	Policy on Determination of Material Events	

Code of Conduct & Business Ethics

Our comprehensive Code of Conduct and Ethics Policy (GMMCOC) is applicable to all our employees, regardless of their level or position. It establishes the fundamental principles that guide our behaviour and actions. The GMMCOC plays a vital role in enhancing our decision making process, fostering trust among our stakeholders, and safeguarding our valuable reputation. Moreover, it has been specifically designed to comply with the requirements of the Companies Act, 2013, and its associated regulations. This policy sets clear expectations for

individual employees, outlines the standards for business conduct, and defines the responsibilities of our directors, thereby demonstrating our unwavering commitment to our stakeholders. We conduct our business in strict accordance with our Anti-Trust and Anti-corruption policies, as well as all relevant laws and regulations. To ensure ethical practices across our supply chain, our agreements with suppliers, contractors, and business partners include adherence to our ethical principles. Furthermore, our suppliers and service providers are also bound by their own separate Supplier's Code of Conduct. In the

FY23, we revised the GMMCOC and Whistle-blower Policy to enhance the monitoring and reporting of ethical concerns. Additionally, we have introduced an interactive e-learning module that provides employees with an in-depth understanding of the GMMCOC. We have successfully achieved 100% employee participation in this module, ensuring widespread awareness and compliance with our Code of Conduct and Ethics Policy.

Anti-Sexual Harassment Policy

GMM has a zero-tolerance policy for harassment and ensures each person is treated with respect and dignity.

CORPORATE GOVERNANCE

At GMM Pfau

dler, we acknowledge the significant impact of corporate governance on shareholder value, ensuring it is maximized within legal, ethical, and sustainable frameworks. Our corporate governance approach prioritizes fairness for all stakeholders

involved. We highly value the trust of our investors, and we uphold integrity as the bedrock of our performance. Our Board takes its fiduciary responsibilities seriously, embracing a comprehensive perspective on its duties. We strive to align ourselves with international best practices in corporate governance, fostering transparency through our disclosures. Our commitment extends to enhancing long-term shareholder value and safeguarding the rights of minority stakeholders across all our business activities.

SUSTAINABILITY GOVERNANCE

GMM Pfau

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

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

ESG Steering Committee

The ESG Steering Committee sets sustainability-related goals for the organization and steers our agenda on this front. The Committee formulates strategy and execution roadmaps in line with the ESG vision defined by the Leadership. It provides specific guidance and operational insights to the ESG Working Groups, reviews public disclosures (ESG Report, Policies, other ESG related presentation or reports etc.), and presents them to the Leadership or Board for approval. The Committee also engages with stakeholders,

including external rating agencies and auditors on topics relevant to our ESG performance and meets every quarter.

The roles and responsibilities of the ESG steering committee are:

- Formulate strategy and execution road maps in line with the ESG vision defined by the Leadership
- Set annual targets to achieve sustainability goals of the organization
- Identify owners specific to KPIs of each focus area and map their roles & responsibilities

- Provide guidance and operational insight to KPI owners and the ESG Working Group
- Tracking progress of the KPI on a quarterly basis
- Review and approval of public disclosures on ESG (Annual Report, ESG Report, Specific Disclosures, Policies)
- Present the disclosures to the Leadership or Board for approval
- Engage with stakeholders, including external agencies and auditors relevant to ESG

ENVIRONMENTAL, SOCIAL & GOVERNANCE

CSR GOVERNANCE

At GMM Pfaudler, we are driven by the aspiration to bring about positive transformations in people's lives through a participatory approach,

emphasizing inclusive growth and empowering nearby communities.

We actively lead and execute various community-focussed initiatives and interventions that foster social development and

sustainability. Our focus areas include healthcare, education and environmental sustainability.

GMM Pfaudler Foundation

In line with our CSR Strategy towards Societal Sustainability, we have streamlined all our collective efforts under one umbrella for better outreach and meaningful impact. With this vision, our

Company has established a CSR Foundation under the name of GMM Pfaudler Foundation, a wholly owned subsidiary of the Company. The Foundation focuses on various CSR activities

in accordance with our Company's CSR policy. All programs and activities undertaken as a part of CSR have a clear objective to create sustained impact in the most efficient manner.

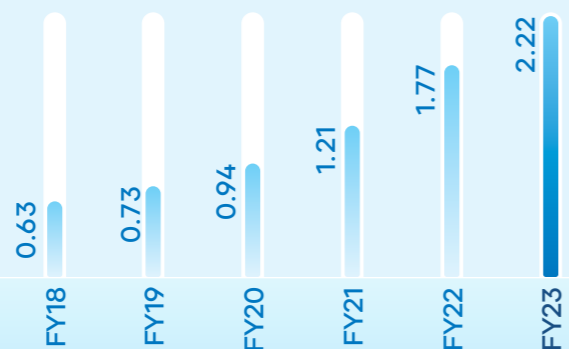
For details of the CSR project undertaken during the year please refer to Annexure F of the board report.

“ GMM Pfaudler is committed to creating maximum positive impact by envisioning a bright future for the communities we operate in. We firmly believe that we are responsible for improving and enriching these communities and playing a part in their social & economic development and environmental sustainability. Moving a step forward, our Company has incorporated the GMM Pfaudler Foundation to support the Company achieve maximum impact on the targeted beneficiaries.

The Foundation's dedicated focus will enable us to give back to the society and local communities in a more meaningful and impactful manner.”

Tarak Patel
Managing Director

CSR Obligations (in crore)



BUSINESS CONTINUITY PLAN

In FY23, GMM Pfaudler established a robust business continuity policy. This proactive measure aimed to prepare the Company for potential disruptions and mitigate their impact on operations, ensuring a smooth continuation of business activities in such circumstances.

The Business Continuity Policy aims to reduce the time it takes to reinstate normal operations, protect employees and essential facilities, and identify roles and responsibilities for team members during emergencies. It also emphasizes the need to quantify the impact of emergencies in

terms of finance, time, services, and workforce, and to effectively communicate with both internal and external stakeholders.

RISK MANAGEMENT

The GMM Pfaudler board has formed a Risk Management Committee (RMC) to oversee the implementation and effectiveness of the risk management framework as required by the Securities and Exchange Board of India's (SEBI) Listing Obligations and Disclosure Requirements (LODR). The Company's Audit Committee earlier oversaw the framework.

The framework enables effective risk management through consistent processes for risk identification, rating (assessment), treatment, and review and monitoring of risks across the Company.

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

GMM Pfaudler has institutionalized an Enterprise Risk Management (ERM) Framework that is continuously reviewed and benchmarked with industry-best practices to enhance our value creation capabilities for our stakeholders.

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

Risk Governance Structure: The Risk Management Framework encompasses the entire organization across all levels. Refer to the Management Discussion & Analysis Report on page number 91 of this Annual Report for further information.

Corporate Information

CHAIRPERSON:	Mr. Prakash Apte
MANAGING DIRECTOR:	Mr. Tarak Patel
DIRECTORS:	Mr. Nakul Toshniwal Ms. Bhawana Mishra Mr. Vivek Bhatia Mr. Ashok Patel Mr. Harsh Gupta Mr. Malte Woweries
KEY MANAGEMENT TEAM:	Mr. Thomas Kehl, Chief Executive Officer - International Business Mr. Aseem Joshi, Chief Executive Officer - India Business Mr. Alexander Pömpner, Chief Financial Officer - International Business Mr. Manish Poddar, Chief Financial Officer - India Business Ms. Mittal Mehta, Company Secretary & Compliance Officer
STATUTORY AUDITORS:	Deloitte Haskins & Sells - Chartered Accountants
INTERNAL AUDITORS:	Mazars (Upto March 31, 2023)
SOLICITORS:	Trilegal MZM Legal L&L Partners
BANKERS:	Hongkong & Shanghai Banking Corporation State Bank of India Axis Bank Ltd. HDFC Bank Ltd. Citibank N.A ICICI Bank Ltd. Kotak Mahindra Bank Yes Bank
REGISTRAR & SHARE TRANSFER AGENTS:	Link Intime India Private Limited
INVESTOR RELATIONS:	Valorem Advisors

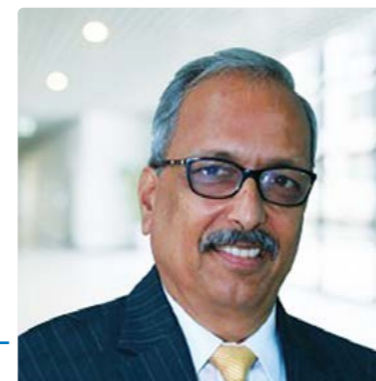
Disclaimer:

This document contains statements about expected future events and financials of GMM 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 FY23.



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

Board of Directors

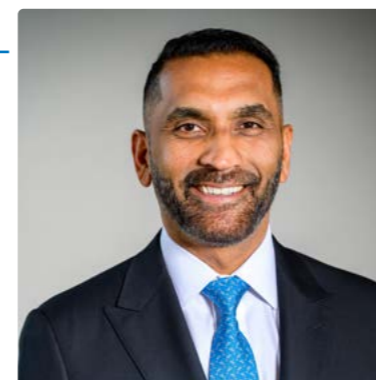


MR. PRAKASH APTE

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

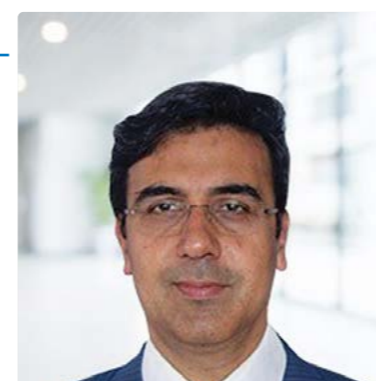
Mr. Apte's professional career spans over 41 years with a wide range of experience in management and leadership as well as an in-depth knowledge of the agrochemicals and specialty chemicals industries. Mr. Apte was instrumental in setting up Syngenta Foundation India in 2005 which focuses on educating and providing resources to marginal farmers and facilitating rural entrepreneurship. In 2016, he was involved in setting up of the Indo-Swiss Centre of Excellence which aims to provide world class training in advanced vocational skills. Mr. Apte has served on the Boards of both these not-for-profit entities till mid-2021.

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



MR. TARAK PATEL

Tarak Patel has been the Managing Director of GMM Pfaudler since June, 2015 and has been an Executive Director of the Company since 2007. Previously, Tarak served as Vice President, Sales and Manager of Corporate Development. Prior to joining GMM Pfaudler, Tarak worked with Universal Consulting, a leading Strategy Management Consulting and Growth Strategy Consulting Company based in Mumbai, India. Tarak has a BA in Economics from the University of Rochester, USA and an MBA degree jointly conferred by Columbia Business School, London Business School and University of Hong Kong (HKU) Business School.



MR. NAKUL TOSHWAL

Mr. Nakul Toshniwal is the Chairperson and Managing Director of Toshvin Analytical Pvt. Ltd. which is recognized as one of the largest analytical instrumentation companies in India. He started his career as an analyst with AT Kearney Inc. in New York, USA and has over 23 years of experience in managing, investing in and growing companies in diverse industries.

Mr. Toshniwal is a member of the Council of Directors of Kodaikanal International School. He is also on the Board of various international subsidiaries of GMM Pfaudler.

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



MS. BHAWANA MISHRA

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

dler Foundation, a section 8 Company, which is a wholly owned subsidiary of GMM Pfau

dler Limited. Ms. Mishra has 25 years of experience across industries, as a talent and leadership development specialist. She started her career with hands-on work in talent management, strategic change and organizational transformation, and counts amongst her clients, CXOs and business leaders of a large number of Indian and multinational companies. Ms. Mishra is an M.A. Applied Psychology (specialization in Organizational Behaviour) from the University of Delhi, 1997 and has a Level B Certification in Occupational Assessments from the British Psychological Society.



MR. HARSH GUPTA

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

He has over 30 years of expertise in diverse fields including leadership, entrepreneurship, sales and marketing and business strategy, across a wide range of industries including chemicals, metals, and as an entrepreneur.

Mr. Gupta received his early education at The Doon School in Dehradun. He then pursued a Bachelor of Arts in Economics at Vassar College in New York, USA. During his time at Vassar, he was awarded a prestigious Ford Foundation Scholarship for his research in economics. He also earned the distinction of being a member of Omicron Delta Epsilon, an esteemed economics honor society. Mr. Gupta holds an MBA from the McDonough School of Business, Georgetown University, USA.

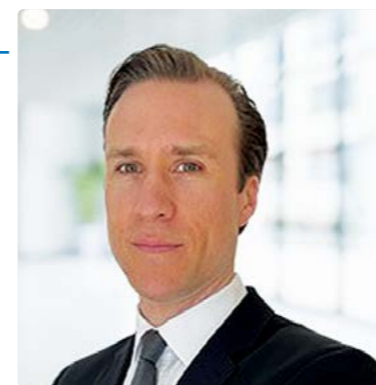


MR. VIVEK BHATIA

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

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

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



MR. MALTE WOWERIES

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

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

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



MR. ASHOK PATEL

Mr. Ashok Patel has over 48 years of experience in the capital goods industry.

He has been a Director of GMM Pfau

dler 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 holds a B. Sc degree from the University of Manchester Institute of Science and Technology, UK and a MBA from the Columbia University, USA.

Leadership Team



MR. TARAK PATEL, MANAGING DIRECTOR

Tarak Patel has been the Managing Director of GMM Pfau



MR. ALEXANDER PÖMPNER, CHIEF FINANCIAL OFFICER [INTERNATIONAL BUSINESS]

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



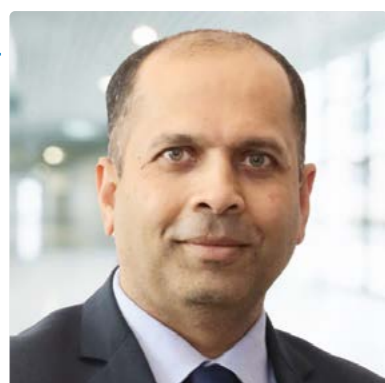
MR. THOMAS KEHL, CHIEF EXECUTIVE OFFICER [INTERNATIONAL BUSINESS]

Thomas Kehl has been the Chief Executive Officer for the International Business of GMM Pfau



MR. MANISH PODDAR, CHIEF FINANCIAL OFFICER [INDIA BUSINESS]

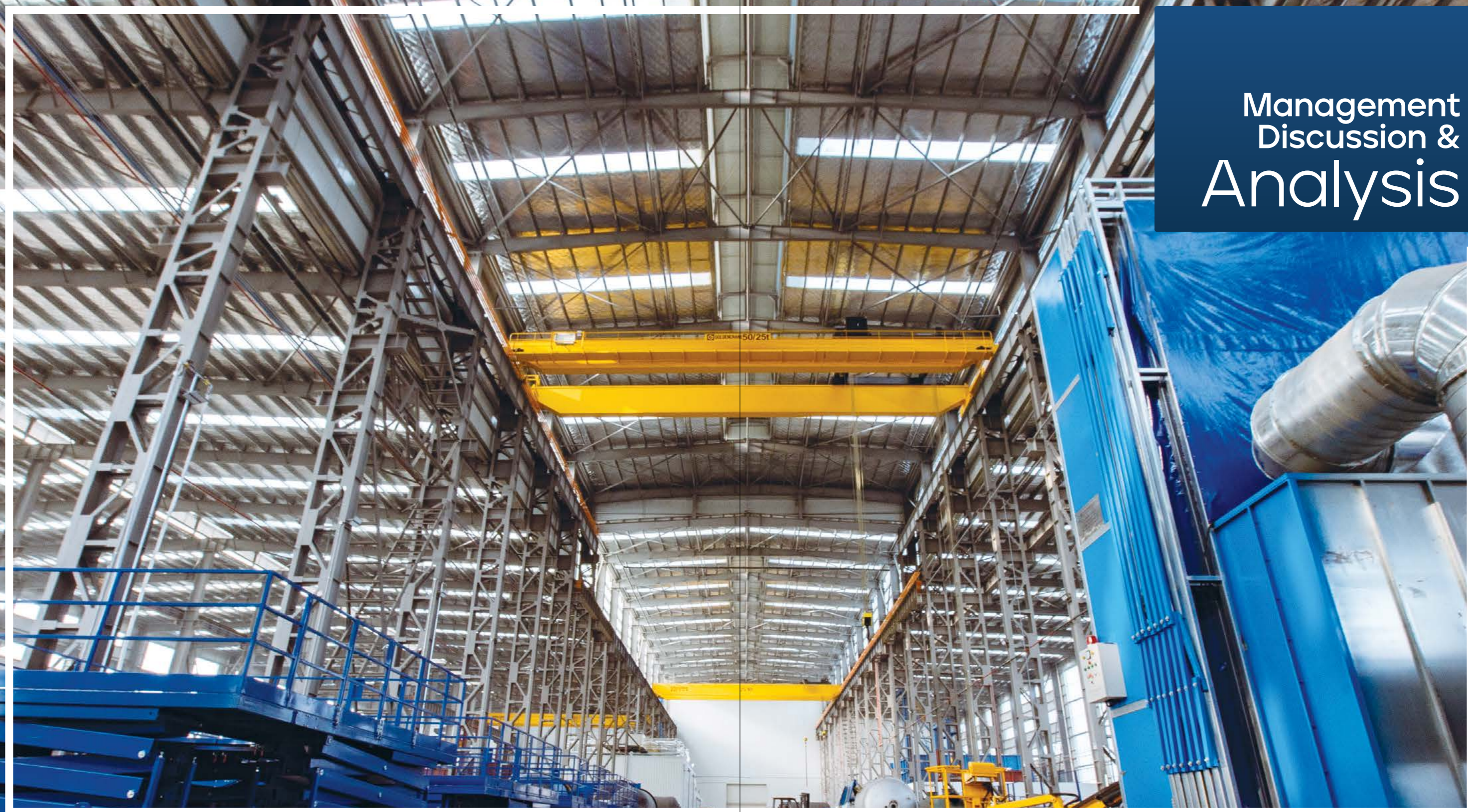
Manish Poddar has been the Chief Financial Officer for the India Business of GMM Pfau



MR. ASEEM JOSHI, CHIEF EXECUTIVE OFFICER [INDIA BUSINESS]

Aseem Joshi has been Chief Executive Officer for the India business of GMM Pfau

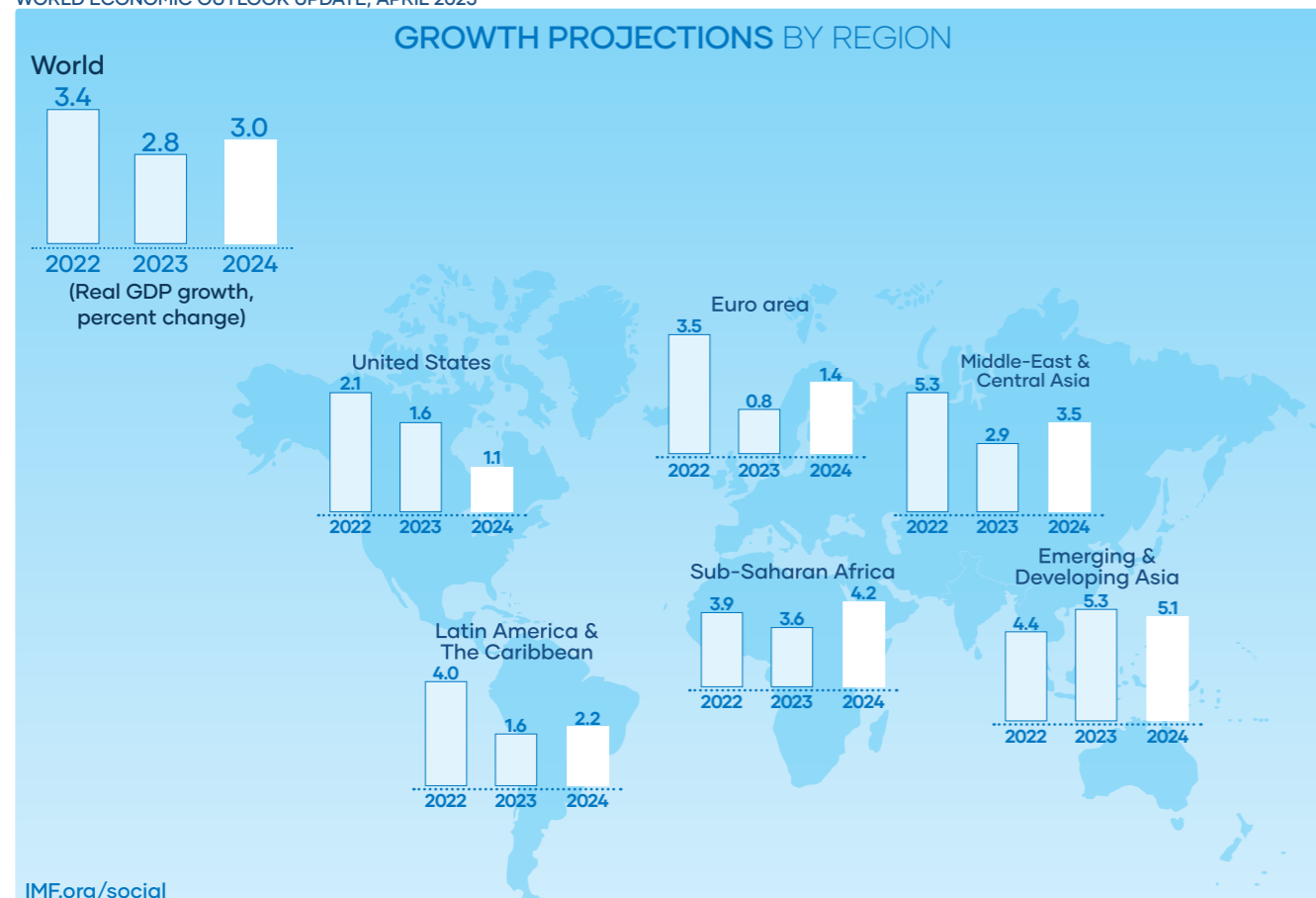
Management Discussion & Analysis



A. Global Economy

IN 2022, the global economy faced a series of turbulent challenges.

WORLD ECONOMIC OUTLOOK UPDATE; APRIL 2023



IMF.org/social

SOURCE: IMF, WORLD ECONOMIC OUTLOOK UPDATE, APRIL 2023
NOTE: ORDER OF BARS FOR EACH GROUP INDICATES (LEFT TO RIGHT): 2022, 2023 PROJECTIONS & 2024 PROJECTIONS

High inflation rates, the most significant in several decades, led to tightened financial conditions in most regions. Additionally, Russia's invasion of Ukraine had a lasting impact on economic activity. The rapid spread of COVID-19 in China also hampered growth during the year. However, the recent reopening of economies has paved the way for a rapid recovery.¹

Global governing bodies have undertaken various initiatives to mitigate existing economic risks.

Monetary policies are anticipated to focus on restoring price stability, while fiscal policies aim to alleviate cost pressures while maintaining a suitably tight stance. In addition, structural reforms can play a crucial role in lowering inflation by enhancing productivity and addressing supply-side constraints. These collective measures are expected to support economic stability and reduce the impact of prevailing risks.¹

As per the International Monetary Fund (IMF) estimates published in April 2023, the global economy is projected to grow at 2.8% in 2023 (vs. estimated 3.4% in 2022) and 3.0% in 2024.² In 2022, Middle East and Central Asia have been the highest contributor to the global real GDP, while Emerging and Developing Asia are expected to be the highest contributors in 2024. Euro area is estimated to grow at 1.4% in 2024, whereas United States and Latin America are expected to grow at 1.1% and 2.2% respectively in 2024.³

SOURCES:
¹<https://www.imf.org/en/Publications/WEO/Issues/2022/10/11/world-economic-outlook-october-2022>
²<https://www.imf.org/en/Publications/WEO>
³<https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>

B. Indian Economy

THE INDIAN economy has staged a full recovery, ahead of many nations and has positioned itself to ascend to the pre-pandemic growth path in FY23.

However, India must also cope with the challenge of controlling inflation. Fortunately, actions taken by the government and RBI along with decline in global commodity prices has led retail inflation levels reaching to 5.72% in November 2022 and 5.66% in March 2023, which are within the RBI upper tolerance target of 6%.⁴

As per IMF, India's real GDP grew at 6.8% in 2022 (estimates) and expected to grow at 5.9% in 2023 and 6.3% in 2024, with resilient domestic demand despite external headwinds. As per CEIC, India's per capita GDP reached \$2,301 in March 2022, an all-time high resulting in a significant increase in demand driven by consumption.⁵ Industrial production also increased supported by persistent

demand conditions. For the first half of FY23, the Industrial Sector's overall Gross Value Added (GVA) increased by 3.7%, above the 2.8% average growth seen in the first half of the previous decade.⁶

In 2023, nearly 15% of the world's growth is forecasted to come from India. These growth projections are partially based on the economy's resiliency, which can be observed in how quickly private consumption rebounded, while the government's capital expenditure, which surged by 63.4% in the first eight months of FY23 was also a major contributor.⁷ India will also be able to maintain a positive growth-interest rate differential owing to the government's policy of capital expenditure-led growth, which will result in a sustainable debt to GDP over the long term.

To connect India to international supply chains, the Production Linked Incentive (PLI) programmes were created with an expected investment of 4 lakh crore during FY22-27. As per the Indian Brand Equity Foundation (IBEF) In FY22, investments under PLI programmes totalled ₹47,500 crore, which reached 106% of the year's set objective.⁸ Due to PLI initiatives, production/sales of ₹3.85 lakh crore and the creation of 3.0 lakh jobs have been registered⁸. The Indian economy has also begun to prosper from more formalisation, greater financial inclusion, and economic possibilities brought forth by technologically driven economic reforms.



SOURCES:
⁴<https://www.livemint.com/economy/retail-inflation-drops-to-5-66-in-march-from-6-44-in-feb-11681306477940.html>
⁵<https://www.ceicdata.com/en/indicator/india/gdp-per-capita>
⁶pib.gov.in/PressReleasePage.aspx?PRID=1894918
⁷<https://pib.gov.in/PressReleasePage.aspx?PRID=1894932>
⁸Economic Survey 2023: PLI schemes to create 60 lakh jobs, textile & auto in focus (moneycontrol.com)

C. Industry Development



1. Pharmaceuticals Industry

In fighting the COVID-19 pandemic for the past two years, the entire world recognised the importance of healthcare and drugs. As per Research and Markets, the global pharmaceutical industry is estimated to grow to over \$2.4 trillion by the end of 2029 from the current \$1.5 trillion levels.⁹

The API market in Europe is expected to clock a CAGR of 7.3% between 2021-28, whereas in China and Americas the growth is forecasted to be 6.4% and 5.8%, respectively, in the same period.

Indian Market: According to the Indian Economic Survey, the Indian pharmaceutical industry is anticipated to grow to \$120-130 billion by 2030 and \$450 billion by 2047. In terms of production, India ranks third worldwide with

over 10,000 manufacturing units and 3,000 drug companies.¹⁰ In the coming two years, it is anticipated that domestic pharmaceutical businesses would record consistent revenue growth of 6-8%.¹¹

By investing in R&D for medicine discovery, drug repurposing, process enhancements, and digital production, the Indian pharmaceutical sector is now attempting to climb up the global pharma value chain. The efficiency of pharma companies has increased by low manufacturing and R&D costs, resulting in competitive exports.

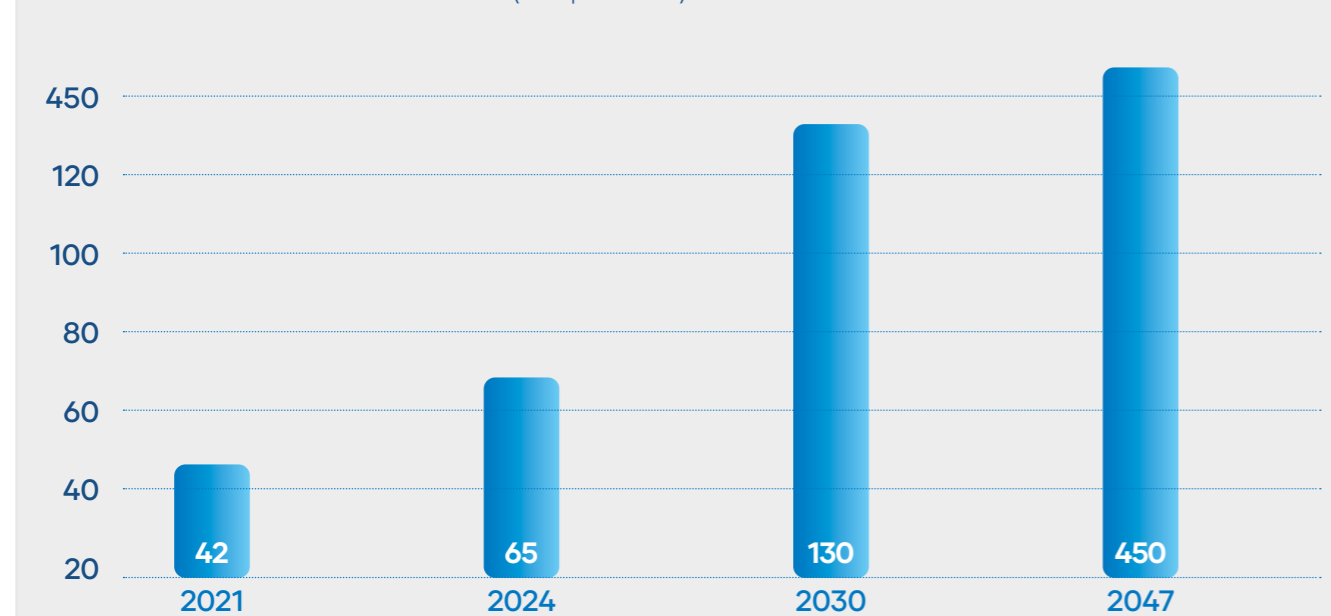
Key Growth Drivers:

- **Rising Healthcare requirement:** The G20 Presidency of India, advancements in digital health, attainment of universal health

coverage, and enhancements to healthcare delivery and infrastructure will continue to be the main driving forces¹¹

- **Bulk Drug Parks:** The establishment of three bulk drug parks costing ₹14,300 crore (\$1,957 million) was announced by the federal government for lowering imports from China and producing chemical compounds and Active Pharmaceutical Ingredients (APIs)¹²
- **Market Scope for Generics:** India is also the world's largest supplier of generic medications, accounting for 20% of global exports in terms of volume. Almost 70% of the Indian pharmaceutical sector comprises of generic drugs market

Indian Pharmaceutical Market (US\$ billion)



SOURCES:

⁹<https://www.fortunebusinessinsights.com/impact-of-covid-19-on-pharmaceuticals-market-102685>
¹⁰<https://www.ibef.org/industry/pharmaceutical-india>
¹¹https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/indian-pharma-sector-set-for-volume-to-value-leadership-journey-in2023/articleshow/96389955.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst
¹²<https://swarajyamag.com/insta/govt-to-set-up-three-bulk-drug-parks-for-manufacturing-of-apis-to-invest-rs-14300-crore>



2. Specialty Chemicals Industry

As per market research reports, the market for specialty chemicals was valued at \$837 billion in 2022 and is anticipated to reach \$1.1 trillion by 2030, growing at a CAGR of 4.1% between 2022 and 2030. In 2022, the Asia Pacific region accounted for roughly 48.6% of global revenue.¹³

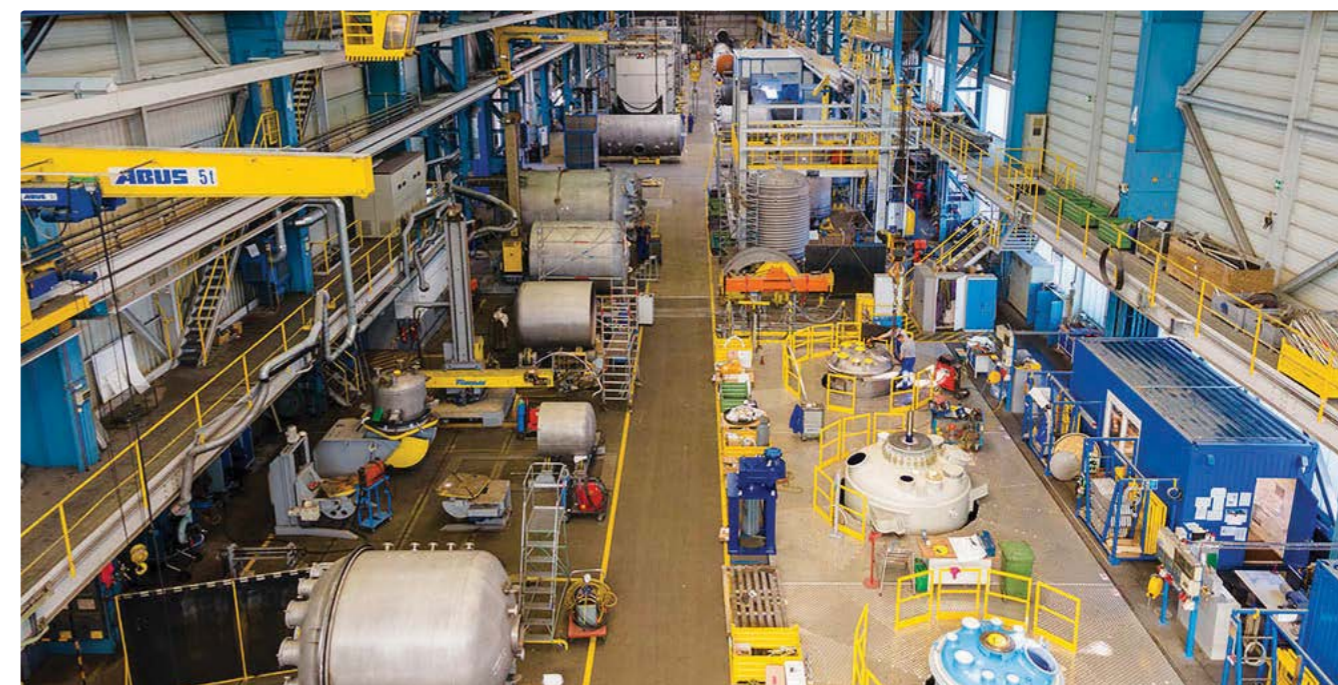
The chemical industry in emerging markets of Asia is expected to grow at a CAGR of 4.1% between 2022-2024. US and Latin America combined are expected to grow at 2.4% and the European region is expected to grow at 2.0% between 2022-2024.

Indian Market: Accounting for 2.5% of the global chemical sales, India is one of the largest chemical markets and is rated third in Asia and sixth overall.¹⁴ By 2040, India is likely to account for more than a fifth of incremental global consumption for chemicals as domestic demand is projected to rise to \$1,000 billion.¹⁵

Future capex announcements for Indian chemical businesses are positive as they move up and/or down the value chain, shifting towards value-added and high-margin grade products. For the period of FY15-22, 30 prominent Indian chemical companies invested in capex at an aggregate of 16% CAGR. From ₹39 billion in FY10 to ₹123 billion in FY22, total capex investment increased by ~3x.¹⁶

Key Growth Drivers:

- **Shifting supply chains:** Businesses are attempting to strengthen their supply chains because of the changing geopolitical environment and the drive to expand outside of the current main industrial markets. India may become a popular destination due to its compelling value proposition
- **Changing consumer preferences:** The growing demand for bio-friendly products globally could benefit India, as it is among the leading producers of many chemicals that are used in such products
- **Increasing Investments:** The Petroleum, Chemicals, and Petrochemicals Investment Regions (PCPIR) policy's designated integrated industrial centres are expected to draw investments totaling ₹20 lakh crore (\$276.46 billion) by 2035. The presence of significant international firms, 100% FDI in the chemicals industry and strict anti-dumping regulations are driving the Indian chemical market



SOURCES:

¹³<https://www.precedenceresearch.com/specialty-chemicals-market>
¹⁴<https://www.ibef.org/industry/chemical-industry-india>
¹⁵<https://economictimes.indiatimes.com/industry/indl-goods/svs/chem/-/fertilisers/indias-chemical-demand-likely-to-jump-to-usd-1000-billion-by-2040/articleshow/98581252.cms?from=mdr>
¹⁶Indian chemical companies investing in capabilities and capacities: HDFC Securities (indianchemicalnews.com)



3. Agrochemicals Industry

As per market research, the global agrochemicals market was estimated at \$218 billion in 2021 and is expected to hit \$281 billion by 2030, poised to grow at a CAGR of 2.7% during the forecast period 2022 to 2030.¹⁷

The growing population and rise in food consumption, soil deterioration, limited agricultural lands, and increasing consumer awareness are some of the main reasons driving the global agrochemicals industry.

Asia Pacific region dominated the market with a revenue share of 28% in 2022¹⁷. The area is the world's top producer of agricultural

goods. India, China, and Japan are among the primary contributors to the regional market.¹⁸

Indian Market: The Indian agrochemicals market was valued at \$845 million in 2021. India's agrochemicals sector is expected to grow at 15-17% in FY23, and the sector registered a 23% rise in FY22.¹⁹

As per McKinsey, agrochemicals in India is currently a \$5.5 billion market, growing at a CAGR of 8.3%²⁰. By 2040, it is expected to account for almost 40% of India's overall chemicals exports and nearly 13% of the global agrochemicals market.²⁰

India is the thirteenth-largest exporter of pesticides and disinfectants. The country's exports have increased on the account of low-cost manufacturing, availability of technically trained manpower, seasonal domestic demand, overcapacity, competitive pricing, and strong presence in generic pesticide manufacturing. India has the potential to become "The Global Manufacturing Hub" for agrochemicals owing to the above factors.



4. Refineries

As per market research, the total global planned refining capacity in 2023 will be 17.8 million barrels of oil per day (mboed). Between 2019 and 2023, 158 new refineries are expected to open around the world. During the forecast period, it is anticipated that around \$520 billion will be invested globally on new refineries.

As a result of the rapid industrialization, urbanization, and population growth in developing countries there is a greater need

for passenger and commercial vehicles. There has been a significant increase in the need for gasoline and diesel, which has prompted the development of new oil refineries in developing countries to meet the growing demand.

Indian Market: To fulfill the expanding local fuel demand as well as the export market, India expects to nearly double its oil refining capacity to 450 MT in the next ten years.²¹ To achieve 283.62

MTPA, the total refining capacity is expected to grow at a CAGR of 2.5% over the next five years.

Foreign Investment: For refining, the automated route's maximum FDI will be 100% in the private sector and 49% in the public sector. The government has launched the Bid Round-VII for International Competitive Bidding under the Open Acreage Licensing Program (OALP).²²



SOURCES:

¹⁷<https://www.precedenceresearch.com/agrochemicals-market>

¹⁸<https://straitresearch.com/report/agrochemical-market>

¹⁹<https://www.businessinsider.in/business/corporates/news/indias-agrochemicals-industry-to-see-double-digit-growth-in-fy23-and-fy24-on-strong-exports-boost-says-crisil/articleshow/96572842.cms>

²⁰<https://www.mckinsey.com/industries/chemicals/our-insights/india-the-next-chemicals-manufacturing-hub>

SOURCES:

²¹<https://www.ibef.org/industry/oil-gas-india>

²²<https://www.globenewswire.com/en/news-release/2023/02/21/2612424/28124/en/India-Oil-Gas-Industry-Report-2023-India-Imports-85-of-Crude-Oil-it-Processes-and-55-of-Natural-Gas-Segment-Insights-Government-Initiatives-Market-Influencers-Impact-of-Russia-Ukra.html>

²³<https://timesofindia.indiatimes.com/business/india-business/with-double-digit-cagr-countrys-paint-industry-to-reach-rs-1-lakh-crore-size/articleshow/97184803.cms>

²⁴<https://www.tpci.in/indiabusiness/trade/blogs/india-eyes-new-fertilizer-policy-to-reduce-import-dependence/>

²⁵<https://www.ibef.org/industry/metals-and-mining>

5. Other Industry Segments

Some of the other industries that the company caters to are paints, fertilizer, and metals & minerals.

As per the Indian Paint Association (IPA), the Indian paint industry is planning a capex of ₹35,000 - 40,000 crore in the next five years, the Indian Paints & Coatings sector will become an ₹1 lakh crore industry in the next five years from the current ₹62,000 crore.²³

The India fertilizer market is expected to grow at a CAGR of 4.7% between 2023 and 2028, reaching a projected value of \$1,108 billion by 2027. India is the second largest consumer of fertilizer in the world after China,

the fertilizer industry is essential to the growth of Indian Economy. The Indian government is working on a national policy to boost local manufacturing of fertilizers and reduce dependency on imports.²⁴

Despite muted demand in 2023 due to global headwinds, inflation is expected to pressure the metals markets. For many commodities, the increasing consumption will outstrip the mining industry's ability to ramp up supply, resulting in commodity deficits as early as 2024.

According to Directorate General of Commercial Intelligence & Statistics, in FY22 iron ore exports reached \$2.23 billion, registering

an increase of 21.8% YoY. India's crude steel production stood at 71.3 MT in FY23 (until October 2022). India holds a fair advantage in production and conversion costs in steel and alumina. Its strategic location enables export opportunities to develop as well as fast-developing Asian markets. Rise in infrastructure development and automotive production are driving growth. Power and cement industries are also aiding growth for the sector. Demand for iron and steel is set to continue given the robust growth expectations for the residential and commercial building industry.²⁵

D. Company Overview



GMM PFAUDLER is a leading supplier of engineered equipment and systems for critical applications in the chemical, pharmaceutical, food, and energy sectors to organizations around the globe.

Our unique expertise, manufacturing capabilities, innovation, strategic market, and business operations help us successfully deliver technologies, systems, and services which include - glass-lined technology, filtration and drying, lab and process glass, sealing technology, mixing technology, alloy process equipment and fluoropolymers.

GMM Pfaudler's expertise and capabilities will help in improving our customers' manufacturing processes. Adding to our global growth ambitions, we continue to move forward by making 'Big Moves' that will favourably impact all our stakeholders. GMM Pfaudler has 18 facilities with an extensive sales and services network and employs more than 1,800 people across 4 continents.

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

1. Key Strategic Highlights:

- Acquisition of balance 46% stake in GMM International S.a.r.l (GMMI), GMMI is now a wholly owned subsidiary of GMM Pfaudler with 100% profits now accruing to shareholders

- Acquired 100% stake in Hydro Air Research Italia S.r.l. (HARI), based in Milan, Italy, for a total consideration of €4.96 million (₹41 crore). The transaction was completed in August 2022. It provides state-of-the-art membrane separation systems for a large variety of industrial sectors. The acquisition will help enhance the group's engineering and process know-how and augment our capabilities to enter adjacent markets as well as grow further know-how in green technologies helping our customers to develop sustainable products

- GMM Pfaudler Ltd through its subsidiary GMM Pfaudler US Inc., USA acquired 51% of JDS Manufacturing (JDS), USA. The transaction was completed in November 2022. JDS

manufactures glass-lined spare parts and components and provides re-glassing services. A joint venture with JDS will further develop the group's high-margin service business and significantly improve the market position in USA

- Acquired 100% stake in Mixel France SAS and its wholly owned subsidiary Mixel Agitator Co. Ltd (collectively known as Mixel), for a total consideration of €7 million (₹67 crore). The transaction was completed in

February 2023. Mixel designs and manufactures customized mixing systems for a wide range of industrial applications. It provides sustainable solutions that reduce power consumption, improve batch time and product yield. With the acquisition of Mixel, the group has expanded from India to include Europe and China and even newer industry markets like such as food and water treatment, mining, and biogas

- Company is expanding its focus to non-glass lined technologies, systems, and services which are complementary to glass-lined business and provide access to new markets and segments
- Received "Leadership" score in Governance from CRISIL Limited (CRISIL Sustainability Yearbook, May 2022)
- The company held its first ever Analyst and Investor Day in September 2022

2. Financial Performance:

GMM Pfaudler continued to grow steadily during FY23 despite the global political uncertainties and volatility prevailing in both domestic and global ecosystems.

The Company continued to remain committed to enhancing shareholder value, reflected in its increasing market capitalisation of over 19 times in the last five years. GMM Pfaudler is one of the top 500 listed companies in terms of market capitalisation (its rank on The BSE Limited (BSE) was 414 while on the National Stock Exchange of India Limited (NSE) was 407). In FY23, GMM Pfaudler recorded standalone revenue

of ₹1,075 crore, up 32% from the previous year's ₹815 crore and consolidated revenue of ₹3,178 crore, up 25% from the previous year's ₹2,541 crore. Standalone Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA) is stable at ₹171 crore in FY23 as compared to ₹172 crore in FY22 and consolidated EBITDA increased 52% to ₹431 crore (before exceptional item) as compared to ₹284 crore.

Profit Before Tax (PBT) increased by 3% to ₹131 crore as compared to ₹127 crore in FY22 on a standalone basis and increased by 106% to ₹275 crore compared to ₹133 crore in FY22 on a consolidated basis. Initiatives taken in last few years like, Project Apollo, cost reduction

measures and operational excellence both in India and International business resulted in several benefits such as cost optimisation, increased revenue, and profitability.

The Company continued to strengthen its internal systems and processes to improve efficiencies and minimise costs.

The year FY24 started with a strong order book, which is significantly higher than the previous year. Management remains confident that GMM Pfaudler will continue to dominate the corrosion-resistant technologies, systems and services space.



E. Key Financial Ratios

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



Sr.	Particulars	Consolidated		
		FY23	FY22	% Change
1	Debtors Turnover* (Days)	45	48	-5%
2	Inventory Turnover (Days)	83	90	-8%
3	Interest Coverage Ratio	6.48	11.54	-44%
4	Current Ratio	1.49	1.58	-6%
5	Debt Equity Ratio	1.19	0.95	25%
6	Operating Profit Margin	14%	11%	21%
7	Net Profit Margin %	7%	3%	127%
8	Return on average net worth%	29%	13%	127%
9	EPS (₹)	37.51	19.39	93%

Notes:

a. Interest Coverage Ratio:

Decreased primarily on account of increase in finance cost corresponding to increase in borrowings especially for acquisition of balance 46% stake in International Business.

b. Debt Equity Ratio: Decreased primarily on account of increase in Debt owing to acquisition of balance 46% stake in International Business and acquisition of Mixel.

c. Net Profit Margin (%):

Net Profit Margin for FY23 has increased due to good operational performance vis-à-vis FY22 which had non-cash purchase price allocation (PPA) impact on account of 54% stake acquisition in the International Business.

d. Return on average net worth (%): Returns for FY23 has increased due to good operational performance vis-

à-vis FY22 which has a non-cash PPA impact on account of 54% stake acquisition in the International Business.

e. EPS: EPS for FY23 has increased due to good operational performance vis-à-vis FY22 which had non-cash PPA impact on account of 54% stake acquisition in the International Business.

Definitions:

1. Debtor Turnover: Average of trade receivables (current year and previous year) by revenue from operations for the year.

2. Inventor Turnover: Average inventory (current year and previous year) by revenue from operations for the year.

3. Interest Coverage Ratio: Total EBITDA before exceptional item by finance cost for the year.

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

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

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

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

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

9. EPS: Profit for the year by number of equity shares. FY22 figures are adjusted for bonus shares of 2:1 issued in July 2022.

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

F. Business Segments & Operational Highlights



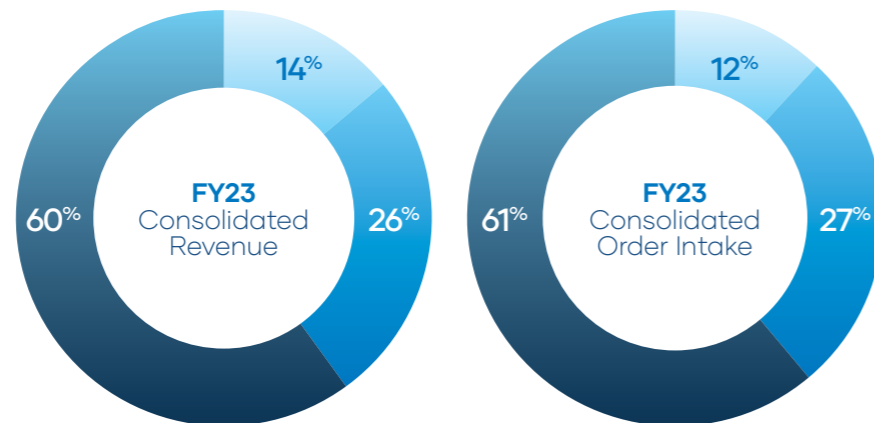
1. Business Overview

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

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

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

- Technologies
- Systems
- Services



Technologies

Since the very beginning, GMM Pfaudler has continually revolutionised the industry to meet its clients' highly specific, ever-changing chemical processing needs. Year after year, with proven reliability, we have designed and

manufactured the technologies required to create chemicals that are sought after worldwide.

Our Group boasts over a century-long expertise in the use of many types of corrosion-resistant materials, like glass-

lined, borosilicate glass 3.3, fluoropolymers, high nickel alloys, zirconium, and tantalum, just to name a few.

By leveraging our vast portfolio and truly global operational footprint, GMM Pfaudler can serve its clients with single source solutions for all their most complex needs.

The Technologies business accounted for a revenue of ₹1,910 crore with an order intake of ₹2,086 crore in FY23.



Glass-Lined Technologies

Pfaudler has been at the forefront of developing new technologies to meet the highly specialized chemical processing needs of its clients for more than a century. One of the primary reasons why Pfaudler's glass-lined equipment is trusted by over 90% of the world's top chemical companies is due to its exceptional reliability in reaction technologies and the comprehensiveness of its glass-lined accessories.

These advanced technologies are crucial for the safe containment of corrosive contents, maintaining vessel pressure, and ensuring the final batch quality.

Business highlights:

- Value sourcing projects are achieving new breakthroughs in previously unexplored regions like Poland, Finland, and the Czech Republic, with repeat orders in progress

- Continue to be the preferred choice in high-value orders and large reactors with large project wins in India, China and Europe
- Shipped out the large sized order to a USA customer, all of which was manufactured in India
- Super large vessels shipped from China (of 140,000 litres) and India (of 80,000 litres)





Non Glass-Lined Technologies

GMM Pfaudler's non glass-lined technologies that include Mavag (Filtration & Drying), Mixion (Mixing Technology), Interseal (Sealing Technology), Equilloy (Alloy Process Equipment), Edlon (Fluoropolymers) and Normag (Lab & Process Glass) showcase our strength as a group, our capabilities and our constant pursuit of innovation. The objective has always been to diversify from our core business by entering adjacent industries to sustain growth and capture customer wallet share through portfolio expansion.

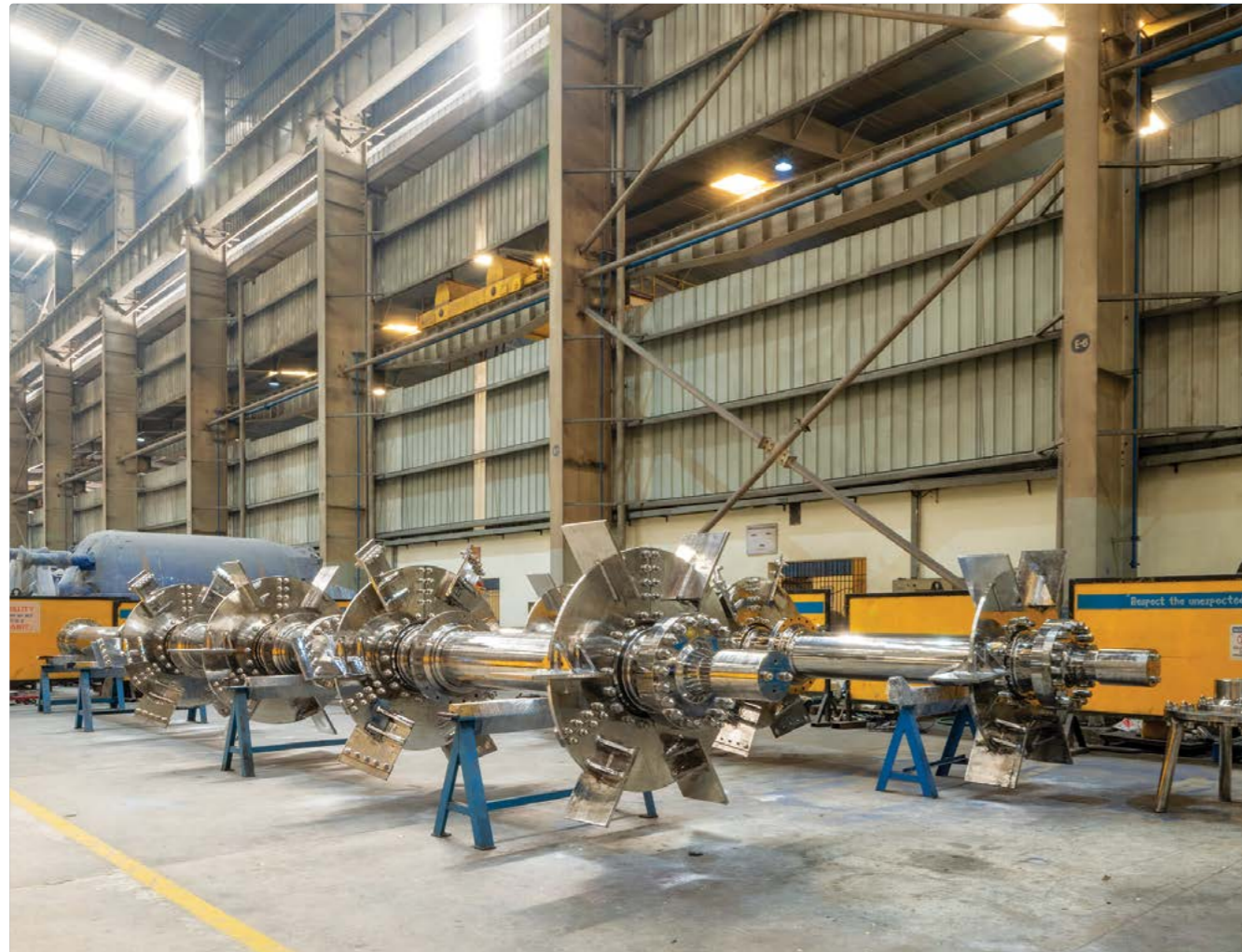
With our non glass-lined technologies, we leverage the full breadth of our capabilities to provide our customers an end-to-end solution.

The focus remains on strengthening the non glass-lined portfolio to create a basket of brands that are complementary in nature and can increase customer spend in the core industries that we serve.

Business highlights:

- Received a breakthrough order in Mixion business (₹45 crore) for a fermentation application

- Growing mixing systems as a platform with the acquisition of Mixel - providing access to newer markets (food and water treatment, biogas) and newer geographies (Europe and China)
- Diversification into newer industry segments like petrochemicals, biotech, metals & minerals
- Cross-selling of multiple products to customers in US, Europe and Asia resulting in increased customer spend



Systems

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

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

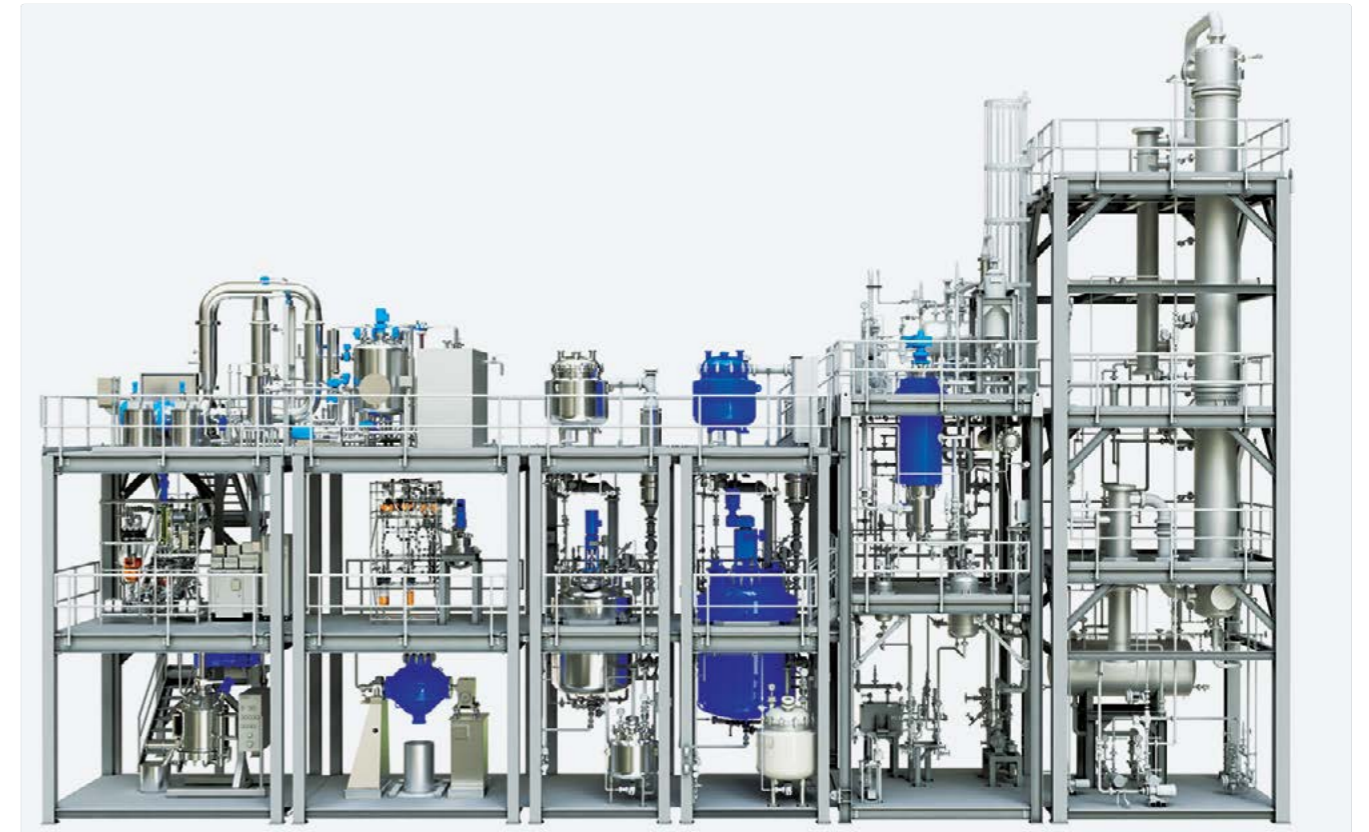
Systems are designed specifically for each client's process. Each system layout is custom designed to ensure proper system functionality and to ensure all equipment, instruments and valves are arranged for ease of operation and maintenance. Our technicians assist with field installation and our engineers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

As a single-source provider, we ensure that the design of every component is perfectly integrated into the system for optimum performance. Our skilled engineering and manufacturing ensure high quality while our project management expertise provides for fast-track schedules and reduced costs. Our focus is to provide our customers with innovative solutions and comprehensive service offerings across the world.

Business highlights:

- Won a large systems order in China of \$6 million (₹52 crore) leveraging group's capabilities from USA (Technology) and India (Engineering and Manufacturing)
- Won an acid recovery order of \$2.9 million (₹23crore) for a flue-gas desulphurisation plant
- Acquisition of HARI will enhance group's process capabilities that will help us enter adjacent markets and provide green technologies to our customers. The company has recently entered high growth sectors such as plant-based proteins, bioplastics and lithium purification
- Setting up a dedicated engineering centre in India which will cater to the global business' needs

The Systems business accounted for a revenue of ₹445 crore with an order intake of ₹400 crore in FY23.





Services

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

We provide parts and maintenance services for our technologies to our global network of customers throughout their plants, as well as the same services for those of others.

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

Business highlights:

- Order intake continues to improve by 17%

- Improved efforts to sell products beyond core offerings like instrumentation and engineered plastics
- Improved response, delivery times and customer experience through digitization
- Strengthening of services team through key personnel hires which would help expand presence in India

The Services business accounted for a revenue of ₹822 crore with an order intake of ₹906 crore in FY23.



2. Operational Highlights

- Li Yang facility in China shipped out the largest glass-lined vessel - 140,000 litres
- Karamsad facility in India manufactured India's largest glass-lined vessel - 80,000 litres
- India's largest furnace commissioned in Karamsad; will cater to the growing demand for super large vessels
- Hyderabad and Vatva continue to ramp up during FY23, revenue from both facilities exceed ₹300 crore, in aggregate
- Operational excellence projects in Vatva concluded and in execution phase
- Operational excellence projects and cost reduction measures continue across geographies

G. Innovation & Technology

- Developed and launched a corrosion resistant reactor sampling system that helps in drawing representative samples from glass-lined or other reactors under pressure or under vacuum without stopping the process
- Developed and launched new drying technology for chemical industry which significantly reduces drying time and costs
- Developing a state-of-the-art test centre in India to enable customers to run trials



H. Opportunities & Threats

Opportunities

- The government's focused thrust on positioning India as a global sourcing hub, a reliable alternative to China, on becoming self-reliant, coupled with its efforts in moving up the Global Ease of Business ranking is expected to attract investments into India. These efforts should open interesting growth opportunities for GMM Pfaudler
- The company remains focused on innovation to drive growth. The primary growth engine for the chemical and pharmaceutical sectors over the next ten years will be the shift in production from China, Europe, and the USA to India. Covid-19, Russia-Ukraine war, higher labour costs in China and the developed world, stricter pollution norms in China, and the Indian government's support to chemicals and pharmaceutical industries through the PLI scheme and Pharma city are the key facilitators of this trend
- New acquisitions by the company have opened newer industries avenues in terms of the Non Glass-Lined business. Market size of the mixing segment is much larger than glass-lined equipment and will be complementary to the business. Hydro Air is also a new segment which is performing well, having a strong order intake coupled with Interseal which is a high margin business
- With the PLI scheme, there is promotion for penicillin production within India to reduce the dependence on overseas imports. The setting up of these plants will lead to total committed investment of ₹3,761 crore by pharma companies. Setting up of these plants will make the country self-reliant to a large extent in respect to these bulk drugs
- The 100% acquisition of Pfaudler International opens ample opportunities for the GMM Pfaudler as a group now. By manufacturing in India, company reduces cost and could penetrate new markets such as South-East Asia, Eastern Europe, some parts of South America and Africa, where the exposure and focus was significantly lower in the past
- GMM Pfaudler is currently working on green and ESG-friendly glass-lined equipment materials. Some of the heavy metals which were part of

the old formula are now being replaced with greener materials. The company also has technologies to cater to bioplastic, bio proteins and mock meat industries. The rapidly growing EV space is also an area of growth opportunity that the company is exploring

Threats

- GMM Pfaudler's business is dependent on the performance of their end user industries like pharmaceuticals and chemicals. Poor business outlook in these end industries and a consequent cut in capex may impact business prospects. However, the company is de-risking itself from the traditional pharma and chemical industries and foraying into newer industries with the strategy for non glass-lined equipment and systems business to grow via cross-selling opportunities and exploring new application areas
- Any significant uptick in the prices of commodities can potentially impact margins. Raw material inflation in end user industries, as witnessed post Covid or during the Russia-Ukraine war, can adversely impact the business of clients leading to a deferment of capex, which in turn impacts the company's order book. To mitigate the impact, the company is undertaking cost reduction measures and passing on the price increase to end customers



SOURCES:
<https://pib.gov.in/PressReleasePage.aspx?PRID=1691185>
<https://www.theindustryoutlook.com/machinery-and-equipment/vendor/gmm-pfaudler-offering-worldclass-glass-lined-equipment-cid-1474.html>
<https://www.timesnownews.com/business-economy/companies/gmm-pfaudler-bullish-on-its-future-growth-prospects-article-94066650#:~:text=GMM%20Pfaudler%20in%20its%20analyst,24%25%20to%20Rs%20630%20Cr.>

I. Risks & Concerns

ALL BUSINESSES are today exposed to risks from strategic, regulatory, alliance, operational and financial perspectives.

GMM Pfaudler's Risk Management policy ensures sustainable growth of the organisation and to promote pro-active approach in evaluating, mitigating, and reporting such risks associated with the business. This policy establishes a structured and disciplined approach to Risk Management to guide decisions on business risk issues.

Risk Management Framework

The Risk Management Framework of the Company has been developed with an objective to enhance value of the Company

and to the stakeholders (internal and external) by ensuring Company's business and growth objectives are protected. This framework facilitates decision making, planning and prioritization threats to business activities, fluctuations and balancing risks and opportunities.

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

Management to make informed decisions to reduce the threats to the Company's business and growth objectives.

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

Risk Management Process



Risk Management Organization Structure



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

The Executive Risk Management Council (ERMC) consistently monitors and records changes in the business environment, threats and factors impacting the risk profile of the Company.

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

The ERMC consists of the Managing Director, Chief Executive Officer, Chief Financial Officer, Chief Risk Officer Business (CRO), Enabling Function Heads (HR, IT, other function heads). The CRO works closely with the ERMC and Risk Owners to identify risks and facilitate development of risk mitigation plans.

Risk Identification & Mitigation
In FY23 the Company revamped its risk register to enhance its focus on strategic risks. These risks were then regrouped into specific functional drivers namely Strategic, Reputational, Technology, Governance and Operational.

Risk scores and risk levels were modified based on the Risk Rating Framework and mitigation measure undertaken during the financial year. Some of the major risks identified by the company, and its mitigation plans, are given aside.

Risk Item	Mitigation measures
<p>Synergies of Acquisition</p>	Company has acquired complete stake in Pfaudler International which has various plants across the globe. The Company continues to successfully execute "Project Apollo" with the scope of realizing synergies between GMM Pfaudler and Pfaudler, and with the aim to transform the Group into a best-in-class corrosion resistant technologies, systems, and services provider. The Company is progressing well towards different working streams of value sourcing, operational excellence, portfolio expansion, branding and communication
<p>Geopolitical Risk</p>	Increased volatility and uncertainties that follow war, political upheavals etc. can threaten the financial and operational stability of the Company. The management team reviews the geo-political risks on a regular basis and devises mitigation plans to minimize its impact on business
<p>Human Capital</p>	The Company believes proper management of human capital is key to achieve the strategic and operational goals of an organisation. Human capital has elements of attraction, retention, and engagement of talent; employee relations which is critical for any business. These areas are being continuously worked upon through initiatives such as ESOP. The structured training calendar "NEEV," with specialized training on business products from subject matter experts, has created tremendous value addition. A mix of functional and behavioural training programs (aligned to DNA for Success) was conducted successfully. In addition, Leadership Development also continued to be an important aspect through coaching sessions for critical set of employees. With the launch of an enhanced Reward & Recognition system, a culture of prompt acknowledgment and collective celebration has become a welcome practice in the organization. The Company has put in place a systematic succession planning process to create and strengthen a talent pipeline
<p>Digitalization & Innovation</p>	The Company's risk-based approach continuously monitors and responds to cyber risks through a layered cybersecurity management process. Company has a well established threat intelligence, security monitoring and an incident response process to detect and respond to cybersecurity threats and incidents. Further, the Company regularly assesses and adjusts its security controls. The Company is committed to fostering a positive security culture and behavior by implementing continuous employee engagement strategies
<p>IT Security</p>	The company has well-institutionalised information security management system based on internationally recognised standards and best practices and is continually improving its cyber-security posture to safeguard from the emerging cyber threats to its business. Regular updating of online infrastructures is being undertaken. Adequate firewalls and disaster recovery systems has been set. Further, Company is implementing security information event management for entire IT Ecosystem
<p>Supply Chain Disruption</p>	Significant process changes and digital initiatives were adopted in the supply chain front to reduce process time and to improve price discovery. Detailed vendor analysis is being conducted to identify high-risk vendors. The Company has created multiple supplier sources for all critical items and is closely monitoring those suppliers to assess capabilities
<p>Regulatory Risk</p>	Company stays abreast of proposed changes in regulations and has adopted a digitally enabled comprehensive compliance management tool. It is updated at regular intervals, and is integrated with business processes, risks, and controls. The Company has a well-structured, documented, and demonstrable compliance framework that helps the management monitor and report compliance risk and exposure to the Board. The Board periodically reviews compliance reports of all laws applicable to the Company

J. Human Resources

IN LINE with the organization's rapid growth plans, a targeted Talent Management approach has been implemented to stay ahead of the curve.

The year welcomed a batch of Graduate Engineer Trainees, through a flagship program for shaping tomorrow's leaders. This program selected GETs from Tier 1 and 2 engineering campuses through a rigorous recruitment process. The objective of the process was to build on the talent pipeline, create candidate delight and provide a consistent recruitment experience. By partnering with a leading assessment consultant, we have developed a customized assessment process mapped to our DNA for success which outlines the behavioural competencies that the company thrives on.

Ensuring consistent recruitment experience required trained interviewers. We conducted capability development workshops for managers with a focus on imparting competency based interviewing skills.

This enabled the interviewers to better correlate the behaviors associated with the individual and the prospective role fitment. The selected candidates were subsequently subjected to a comprehensive induction program to optimize their integration into the company.

With the launch of **iAppreciate 2.0** - an enhanced Reward and Recognition system, a culture of prompt acknowledgment of out-performance and collective celebration has been institutionalised. The framework has been created based on the voice of employees as well as management. The framework consisted of reward and recognition schemes that were manager led, peer to

peer and bottom up, which fosters collaboration and allows employees to freely recognize each other's achievements, thus, empowering every employee to co-partner with management in driving a culture of out-performance.

The structured training calendar, with the introduction of specialized training on business products from subject matter experts, has created tremendous value addition.

The Company continues to maintain an amicable relationship with the Union and has successfully signed off the 3-year wage settlement.

All other HR initiatives continue to be executed smoothly and effectively. **We remain committed to further strengthening our talent development and engagement endeavours.**



K. Internal Control Systems & their Adequacy

AT GMM PFAUDLER, Internal Controls are a key pillar of Corporate Governance.

The Company has an internal control mechanism, which is commensurate with the nature, size, and complexity of the business, both at entity and process levels. The system assures integrated, objective, and reliable financial information.

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

The Company uses LN ERP System as a business enabler and to maintain its Books of Account. The transactional controls built into the LN ERP systems ensure appropriate segregation of duties, an appropriate level of approval mechanisms and maintenance of supporting records.

The Information Management Policy reinforces the control environment. The Company has a well institutionalised information security management system and uses robust IT tools for minimising errors and lapses, identifying

exceptional trends through data analysis and tracking crucial compliances.

The Company has advanced solutions which automate threat detection and response against an ever-growing variety of threats, including ransomware. The Company has introduced XDR (extended detection and response) which collects and automatically correlates data across multiple security layers - email, endpoint, server, cloud workload and network.

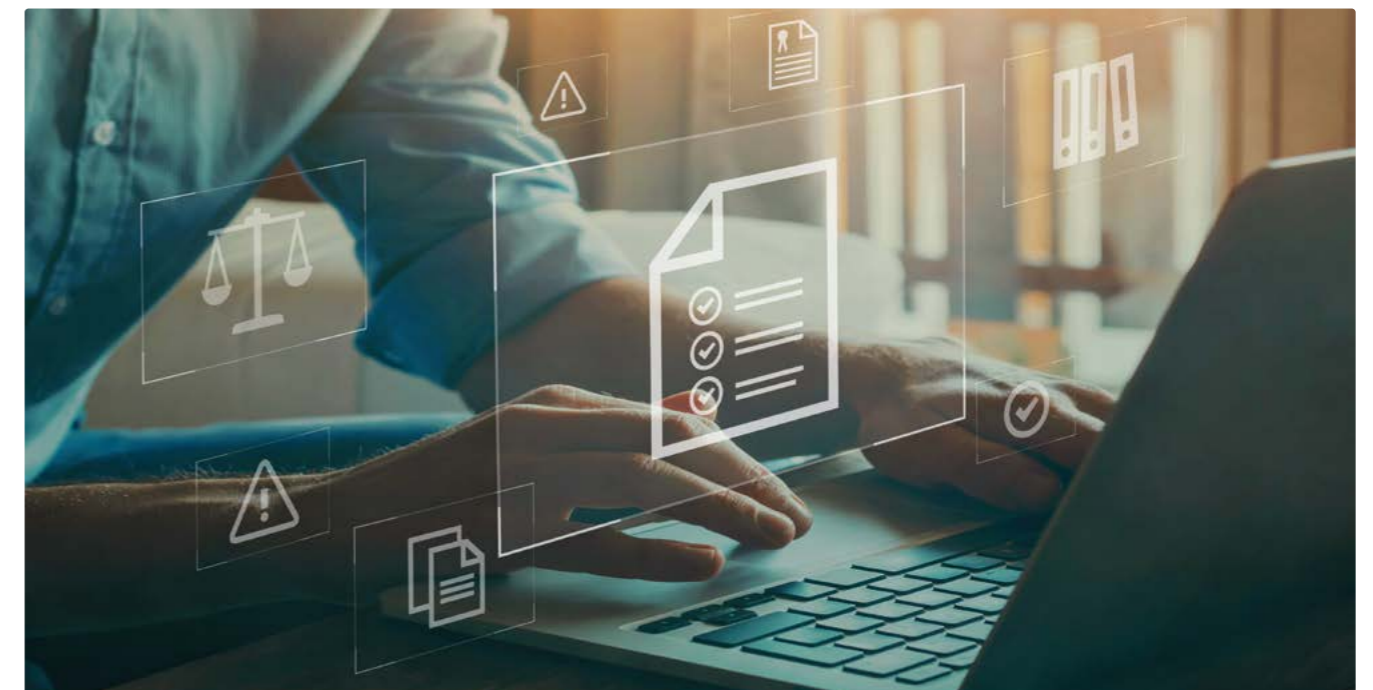
The Company has done various assessments including Vulnerability and Red Team Assessment and Penetration Testing to further strengthen the IT infrastructure. As part of increasing the security posture and security architecture, a complete gap assessment has been initiated on the Company's cyber security and data privacy practices to identify areas of high risk to the Company's business and determine interventions.

The Company has also implemented a Data Loss Prevention ("DLP") solution as part of its information security strategy,

which has significantly improved the Company's ability to protect sensitive data and prevent data breaches.

Suggestions, recommendations, implementation status and significant internal audit observations are placed before the Management and the Audit Committee on a periodic basis. The Management undertakes a periodic review and ensures appropriate actions. The Audit Committee periodically reviews the adequacy of the internal control systems and provides direction and guidance, including external benchmarking of best practices for further action, if any. Internal auditors conduct a quarterly follow up for implementation/remediation of all audit committee recommendations and the status report is presented to the audit committee regularly.

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



Statutory Reports & Financial Statements

GMM PFAUDLER LIMITED

CIN: L29199GJ1962PLC001171

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

NOTICE

NOTICE is hereby given that the Sixtieth Annual General Meeting of the Members of GMM Pfaudler Limited ("the Company") will be held on Tuesday, September 5, 2023 at 2:00 p.m. (IST) through video-conferencing ("VC") / other audio-visual means ("OVAM"), 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, 2023 (including Consolidated Financial Statements) together with the reports of the Board of Directors and auditors thereon; and if consider and thought fit, to pass the following resolutions, with or without modification(s), as **Ordinary Resolutions**:
 - (a) **"RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023, comprising of Audited Balance Sheet as at March 31, 2023, the Statement of Profit & Loss and Cash Flow for the financial year from April 1, 2022 to March 31, 2023 including its Schedules and the Notes attached thereto and forming part thereof, and the reports of the Board of Directors and the Statutory Auditors thereon be and are hereby received, and adopted."
 - (b) **"RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, comprising of Audited Consolidated Balance Sheet as at March 31, 2023, the Statement of Consolidated Profit & Loss and Cash Flow for the financial year from April 1, 2022 to March 31, 2023 including its Schedules and the Notes attached thereto and forming part thereof and the report of the Statutory Auditors thereon be and are hereby received, and adopted."

2. To confirm the declaration and payment of one interim dividend paid during the financial year ended March 31, 2023 and to declare final dividend for the financial year ended March 31, 2023 and if consider and thought fit, to pass the following resolutions, with or without modification(s), as **Ordinary Resolutions**:

- (a) **"RESOLVED THAT** the payment of interim dividend of ₹1.00/- (Rupee one only) each per equity share paid on 4,49,57,224 Equity Shares, aggregating to ₹4,49,57,224 (Rupees Four Crores Forty-Nine Lakhs Fifty-Seven Thousand Two Hundred and Twenty-Four only), declared and paid for the financial year 2022-23, to the shareholders, whose names have appeared in the Register of Members as on November 14, 2022 be and is hereby confirmed."
- (b) **"RESOLVED THAT** final dividend for the financial year ended March 31, 2023 of ₹1.00 (Rupee one only) each per equity share on 4,49,57,224 equity shares aggregating to ₹4,49,57,224 (Rupees Four Crores Forty-Nine Lakhs Fifty-Seven Thousand Two Hundred and Twenty-Four only) to the shareholders whose names appear in the Register of Members as at the end of business hours on August 29, 2023 (Record Date) be and is hereby approved."

3. To appoint a Director in place of Mr. Malte Woweries, 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. Malte Woweries (DIN 09164705), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby appointed as Director of the Company."

SPECIAL BUSINESS:

4. To ratify the payment of remuneration to the Cost Auditors viz. M/s. Dalwadi & Associates, Cost Accountants, of the Company for the financial year ending March 31, 2024 and if consider and thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force), the payment of remuneration to M/s. Dalwadi & Associates, Cost Accountants, (Firm Registration No. 000338) of ₹1,82,000/- (Rupees One Lakh Eighty Two 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 2023-24, be and is hereby approved and ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company 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.”

5. To consider payment of Commission to the Non-Executive Directors (excluding Directors who are a part of the Promoter group) and in this regard, if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 197, 198 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 17(6) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company be and is hereby authorised to pay remuneration in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors and Committees thereof, an amount, by way of commission to any one or more or all of the existing Non-Executive Directors or the Non-Executive

Director(s) to be appointed in future, (excluding Directors who are part of the Promoter group), the amount which the Board of Directors may from time to time, determine, and that such payment of aggregate commission to all the eligible Non-executive Directors shall not exceed 1% of the net profits of the Company in any financial year (computed in the manner provided in Section 198 of the Act or any statutory modification(s) or re-enactment thereof).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be deemed necessary, proper or expedient and to settle any question, difficulty or doubt that may arise to give effect to this resolution including payment of such remuneration.”

6. To consider payment of remuneration to Mr. Tarak Patel as the Managing Director of the Company, for balance period of his term upto May 31, 2025 and in this regard, if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) thereof), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and any other applicable laws and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of Shareholders be and is hereby accorded for the payment of remuneration payable to Mr. Tarak Patel (DIN 00166183), in his capacity as the Managing Director of the Company for the balance period of his term i.e. from April 1, 2023 to May 31, 2025, as set out in the explanatory statement to this notice (“MD Remuneration”).

RESOLVED FURTHER THAT the consent of Shareholders, be and is hereby accorded to the payment of MD Remuneration to Mr. Tarak Patel, in excess of 5% of the net profits of the Company, calculated as per the provisions of Section 198 of the Companies Act, 2013, in each financial

year, during the tenure of the Managing Director, as prescribed under Sections 197 and 198 of the Act, and also in excess of the limit of ₹ 5,00,00,000 (Rupees Five Crores only) as prescribed under Regulation 17(6)(e) of the SEBI Listing Regulations.

RESOLVED FURTHER THAT the draft of the agreement, to be entered into between the Company and Mr. Tarak Patel, Managing Director, as kept open electronically for inspection by Shareholders, be and is hereby approved by the Shareholders of the Company.

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

By Order of the Board of Directors
For GMM Pfaudler Limited

Mittal Mehta
Company Secretary
Membership No. F7848

Place: Mumbai

Date: May 25, 2023

Registered Office:

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

NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (hereinafter referred to as the "Act"), in respect of business to be transacted at the Annual General Meeting (hereinafter referred to as "AGM"), as set out under Item Nos. 4, 5 and 6 above and the relevant details of the Director seeking re-appointment as mentioned under Item No. 3 above as required under Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations") and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed herewith.
2. The Board of Directors have considered and recommended the Item no. 4, 5 and 6 as Special Business in the forthcoming AGM for the consideration of shareholders.
3. Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 02/2022, 10/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, May 5, 2022 and December 28, 2022 respectively issued by the Ministry of Corporate Affairs ("MCA") (collectively referred to as "MCA Circulars") read with Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11, SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 respectively issued by the Securities and Exchange Board of India (collectively referred to as "SEBI Circulars") companies are allowed to hold AGM through VC / OAVM, without the physical presence of the Members at a common venue up to September 30, 2023. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the Company will be held through VC / OAVM.
4. As the AGM shall be conducted through VC/ OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
5. Institutional/ Corporate members intending to authorize their representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send a certified copy (in PDF/ JPEG Format) of the relevant Board Resolution/ Authority letter etc. authorizing its representatives to attend the AGM, by e-mail to js@rathindassociates.com

with a copy marked to the Company at mittal.mehta@gmmpfaudler.com and to its RTA at prathamesh.ghugare@linkintime.co.in.

Electronic dispatch of Annual Report and process for registration of e-mail id for obtaining copy of Annual Report

6. In compliance with the provisions of the aforementioned MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those members whose email addresses are registered with Link Intime India Private Limited (hereinafter referred to as "Link Intime"); National Securities Depository Limited ("NSDL") and / or Central Depository Services (India) Limited ("CDSL") (collectively referred to as "Depositories"). Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.gmmpfaudler.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of the RTA at www.instavote.linkintime.co.in.
 7. Members holding shares in physical mode who have still not registered their email ID with the Company can temporarily get their e-mail IDs registered with the Company's Registrar and Share Transfer Agents, Link Intime India Pvt Ltd, (hereinafter referred to as "Link Intime") by using the link: https://linkintime.co.in/emailreg/email_register.html and Members holding shares in dematerialized mode are requested to register/ update their e-mail addresses by contacting their respective Depository Participants.
 8. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company through an email to mittal.mehta@gmmpfaudler.com or investorservices@gmmpfaudler.com.
- Procedure for joining the 60th AGM through VC/ OAVM:**
9. Link Intime will be providing facility for voting through remote e-Voting, for participation in the 60th AGM through VC/OAVM facility and e-Voting during the 60th AGM.
 10. Members may note that the VC/OAVM facility, allows participation of at least 1,000 Members on a first come-first-served basis.

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

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

- i. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and click on Login. Thereafter, select the "Company" and "Event date" and register with your following details:
 - a. DP ID/Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
 - b. PAN: Enter your 10 digit Permanent Account Number (PAN)
 - c. Mobile No.
 - d. Email ID
 - ii. Click "Go to Meeting"
12. Members who need assistance before or during the AGM, can contact instameet@linkintime.co.in or call on 022-49186175.
 13. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- Procedure to raise questions/ seek clarifications with respect to Annual Report at the ensuing 60th AGM:**
14. Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at mittal.mehta@gmmpfaudler.com. Questions / queries received by the Company till 5:00 p.m. on Friday, September 1, 2023 shall only be considered and responded during the AGM.
 15. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.
 16. Shareholders will receive "speaking serial number" prior to the meeting. Other Shareholders may ask questions through the active chat board during the AGM.

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

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

18. All the shareholders of the Company including retail individual investors, institutional investors, etc. are encouraged to attend and vote in the AGM to be held through VC/OAVM.
19. In compliance with the provisions of Section 108 of the Act read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), members are provided with the following alternatives by which they may cast their votes:

i. Remote e-voting

In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 relating to e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote only through their demat account maintained with Depositories and Depository Participants.

The remote e-voting platform is being provided by the Company's Registrar & Share Transfer Agent – Link Intime India Pvt. Ltd. and the e-voting period will commence on **Saturday, September 2, 2023 at 9:00 a.m. (IST)** and will end on **Monday, September 4, 2023 at 5:00 p.m. (IST)**.

The remote e-Voting module will be disabled by Link Intime for voting thereafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.

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

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

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

Type of shareholders	Login Method
Individual Shareholders (holding securities in Demat mode) & login through their Depository participants ("DP")	<ul style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in Physical mode, Non-Individual Shareholders holding securities in demat mode & E-voting service Provider is Link Intime.	<ol style="list-style-type: none"> Open the internet browser and launch the URL: https://instavote.linkintime.co.in Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: - <ol style="list-style-type: none"> User ID: <ul style="list-style-type: none"> Shareholders/ members holding shares in physical form shall provide (Event No. 230258) + Folio Number registered with the Company. Non-individual shareholders holding shares in NSDL demat account shall provide DP/Client id. Non-individual shareholders holding shares in CDSL demat account shall provide 16 digit beneficiary id. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. <ul style="list-style-type: none"> Shareholders/ members holding shares in physical form but have not recorded information under 'C' and 'D', shall provide their Folio number in 'D' above Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter). Click "confirm" (Your password is now generated). Click on 'Login' under 'SHARE HOLDER' tab. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'. After successful login, you will be able to see the notification for e-voting. Select 'View' icon. E-voting page will appear. Refer the Resolution description and cast your vote by selecting your desired option 'Favour/Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). After selecting the desired option i.e. Favour/Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Institutional shareholders:

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

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

- On the e-Voting website of Link Intime, click on '**Login**' under '**SHAREHOLDER**' tab and further Click '**forgot password?**'
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/ members have valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- For shareholders holding shares in physical form the user id will be the Event No. + Folio Number registered with the Company.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

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

- Shareholders/ Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/DP's website.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Shareholders/ Members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022- 2499 7000
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

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

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

ii. Voting during the Annual General Meeting through InstaMeet:

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

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.

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

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

In case members have any queries regarding e-voting, they may send an email to enotices@linkintime.co.in or contact on: - Tel: 022 - 4918 6000.

20. General Guidelines for shareholders:

- a) Institutional shareholders / Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are requested to send a scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer at js@rathianandassociates.com with a copy marked to prathamesh.ghugare@linkintime.co.in
- b) Members who have cast their votes by remote e-Voting prior to the AGM may also attend/ participate in the Meeting through VC/OAVM but they shall not be entitled to cast their vote again.
- c) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e. **August 29, 2023**.
- d) Mr. Jayesh Shah, Partner, M/s. Rathi & Associates, Practicing Company Secretaries (Membership No.

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

- e) The Chairperson shall, at the AGM, at the end of discussion on all the resolutions on which voting is to be held, allow voting by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
- f) The results shall be declared not less than forty-eight (48) hours from conclusion of the AGM. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company immediately after the declaration of results by the Chairperson or a person authorized by him in writing. The results shall also be immediately submitted to BSE Limited and the National Stock Exchange of India Limited.

21. Documents open for inspection:

- a) All the material documents referred to in the notice and the Explanatory Statement, shall be available for inspection by the Members, through electronic mode. Members are requested to write to the Company at mittal.mehta@gmmpfaunder.com and investorservices@gmmpfaunder.com for inspection of said documents, mentioning their name, Folio no. / Client ID and DP ID and the documents they wish to inspect.
- b) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members during the AGM at http://www.gmmpfaunder.com/content/documents_for_inspection.pdf

Dividend related information

22. The Register of Members and Share Transfer Books of the Company will remain closed from August 30, 2023 to September 5, 2023 (both days inclusive).

23. Final dividend for the financial year ended March 31, 2023, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid on or before October 3, 2023, to those members whose names appear on the Register of Members as on August 29, 2023.
24. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their demat accounts, will be used by the Company for payment of dividend.
25. Members holding shares in physical / electronic form are required to submit their bank account details, if not already registered, as mandated by SEBI.
26. Process for updating of bank account mandate for receipt of dividend electronically:
In case the shareholder has not registered his/her/ their email address with the Company/ its RTA/ Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:
- i) Kindly log in to the website of our RTA, Link Intime India Pvt. Ltd., www.linkintime.co.in under Investor Services > Email/ Bank detail registration - fill in the details and upload the required documents and submit. OR

- ii) In the case of Shares held in Demat mode:
The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
27. In case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrants to such shareholder by post.
28. Members may note that as per the Income Tax Act, 1961 ("IT Act"), as amended by the Finance Act, 2020, dividends paid or distributed by the Company after April 1, 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to approval of shareholders in the ensuing AGM.
The TDS rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. The TDS for various categories of shareholders along with required documents are provided in Table 1 and 2 below:

Table 1: Resident Shareholders

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/Documents required
Any resident shareholder	10%	Update the PAN if not already done with depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents - Link Intime India Private Limited (in case of shares held in physical mode). <ul style="list-style-type: none"> No deduction of taxes in the following cases - If dividend income to a resident Individual shareholder during the current year does not exceed ₹5,000/-, If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same.
Submitting Form 15G/Form 15H	NIL	Eligible Shareholders providing Form 15G (applicable only to resident individual below the age of 60 years) / Form 15H (applicable to resident Individual above the age of 60 years) - on fulfillment of prescribed conditions.
Order under section 197 of the IT Act	Rate provided in the order	Lower / NIL withholding tax certificate obtained from Income Tax Authorities.

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/Documents required
Insurance Companies: Public & Other Insurance Companies	NIL	Self-declaration that it has full beneficial interest with respect to shares owned, along with self-attested copy of PAN card and registration certificate
Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income	NIL	Documentary evidence that the person is covered under section 196 of the Act.
Mutual Funds	NIL	Documentary evidence that the person is covered under section 196 of the Act.
Alternative Investment Fund	NIL	Documentary evidence that the person is covered by Notification No. 51/2015 dated June 25, 2015.
Other resident shareholder without PAN / Invalid PAN/ Specified person under Section 206AB of the IT Act/ PAN-Aadhaar not linked	20%	To be verified by the Company from the Government enabled utility.

Please Note that:

- a) Recording of the valid Permanent Account Number (PAN) for the registered Folio/DP id-Client Id is mandatory. In absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act.
- b) Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

Table 2: Non-resident Shareholders

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/Documents required
Any non-resident shareholder	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the Company. <ul style="list-style-type: none"> Copy of the PAN Card, if any, allotted by the Indian authorities. Self-attested copy of Tax Residency Certificate (TRC) valid as on the AGM date obtained from the tax authorities of the country of which the shareholder is resident. Self-declaration in Form 10F filed electronically on the Indian Income Tax web portal pursuant to Notification no. 03/2022 dated 16th July 2022 and a subsequent notification dated December 12, 2022 issued by the Central Board of Direct Taxes (CBDT), as required under the Income-tax Act, 1961. (Please note that the shareholders who have PAN may not be eligible for DTAA benefit if the e-filed Form 10F is not furnished. However, pursuant to the Notification dated March 28, 2023, CBDT exempted those non-residents who are not having PAN and are not required to have PAN as per the law from mandatory e-filing of Form 10F online until September 30, 2023, and such non-residents may make this statutory compliance of filing Form 10F in manual form as was being done prior to issuance of the Notification No. 3/2022 till September 30, 2023 only) (Self-declaration in Form 10F in the attached form is applicable only for shareholders who do not have a PAN in India and are not required to obtain PAN in India).

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/Documents required
		<ul style="list-style-type: none"> Self-declaration confirming not having a Permanent Establishment in India, eligibility to Tax Treaty benefit and do not/ will not have place of effective management in India. (format attached herewith). <p>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.</p> <p>The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and are in accordance with the provisions of the Act.</p>
Submitting Order under section 195(3)/197 of the Act.	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

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

All Shareholders are requested to ensure that the documents as mentioned in the Table 1 and 2 above are required to be submitted to the Company / Registrar at email ID gminvestors@linkintime.co.in or update the same by visiting the link <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before August 25, 2023 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication/documents on the tax determination / deduction shall be considered post 11:59 PM (IST) of August 25, 2023.

It may be further noted that in case TDS is deducted at higher rate in absence of receipt of the aforementioned details/ documents, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible.

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

The Company will arrange to email a soft copy of the TDS certificate at the shareholders registered e-mail id in due course, post filing its quarterly TDS returns. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/iec/foportal/>

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

i) For temporary registration for demat shareholders:

The Members of the Company holding Equity Shares of the Company in Demat Form

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

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

ii) For Permanent Registration for Demat shareholders:

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

iii) Registration of e-mail id for shareholders holding physical shares:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Pvt Ltd, by clicking the link: <https://linkintime.co.in/>

[emailreg/email_register.html](http://www.linkintime.co.in/emailreg/email_register.html) on their web site www.linkintime.co.in at the Investor Services tab by choosing the e-mail / Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e mail id and also upload the image of share certificate in PDF or JPEG format. (upto 1 MB). In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in

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

iv) Registration of Bank Details for physical shareholders:

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

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

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

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

B. During the financial year 2022-23, the Company has transferred to IEPF, the following unclaimed dividends and corresponding shares thereto:

Particulars	Amount of Dividend (in ₹)	No. of shares
Final dividend 2014-15	81,347	100
1 st interim dividend 2015-16	65,559	110
2 nd interim dividend 2015-16	89,971	100
3 rd interim dividend 2015-16*	90,515	103

*Shares transferred in April 2023

C. The dividend amount and shares transferred to the IEPF can be claimed by the concerned Members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends are also available on the Company's website at <http://www.gmmpfandler.com.investors/shareholders-center/unclaimed-data>

D. The details of dividend paid for the financial year 2016-17 onwards proposed to be transferred to IEPF are given below:

Date of declaration	Dividend Details	Dividend in ₹ Per share	Due date of the proposed transfer to IEPF
August 2, 2016	1 st interim dividend (2016-17)	0.70	September 2, 2023
September 23, 2016	Final dividend (2015-16)	0.90	October 24, 2023
October 21, 2016	2 nd interim dividend (2016-17)	0.70	November 21, 2023
January 24, 2017	3 rd interim dividend (2016-17)	0.70	February 24, 2024

Others

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

32. Members may please note that SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the following weblink at <https://www.gmmpfaudler.com/investors/shareholders-center/shareholder-information>

Members may please note that SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 has mandated submission of PAN, KYC details and nomination of holders of physical securities. Accordingly, Members are requested to submit their PAN, KYC details and nomination of holders of physical securities to the Company at investorservices@gmmpfaudler.com or RTA at rnt.helpdesk@linkintime.co.in.

The Company has also issued letters to those Members whose above mentioned details are not updated with the RTA on May 25, 2023

The folios of those Members who fail to furnish any one of the above-mentioned details to the RTA of the Company viz. Link Intime on or before October 1, 2023 shall be frozen.

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

Item No. 4

Ratification of Remuneration of the Cost Auditor viz. M/s. Dalwadi & Associates, Cost Accountants for the financial year ending March 31, 2024:

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the re-appointment of M/s. Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338) as Cost Auditors for conducting the Cost Audit of the Company for the financial year 2023-24 at a remuneration of ₹ 1,82,000/- (Rupees One Lakh Eighty-Two Thousand only) plus GST as applicable and reimbursement of out-of-pocket expenses.

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

Accordingly, consent of the Members is being sought for passing the resolution as set out in item no. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2024.

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

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

Item No. 5

Payment of Commission to Non-Executive Directors of the Company:

The Directors of the Company play an important role in overseeing the governance, performance and sustainable growth of the Company. With the changing regulatory landscape, enhanced corporate governance requirements and the competitive business environment, the role of the Board has become more onerous, requiring enhanced level of decision-making ability, greater time commitments with high level of oversight.

In appreciation to the contribution and services rendered by the Directors, the Board basis recommendation of the Nomination and Remuneration Committee ("NRC") at their respective meetings held on May 25, 2023, in addition to the sitting fees, approved payment of Commission to the Non-Executive Directors (excluding Director being part of the Promoter group) up to 1% of the net profits of the Company as calculated under Section 198 of the Companies Act, 2013 in the respective financial year, subject to approval of the Shareholders at the ensuing Annual General Meeting with a power to NRC & Board to determine the commission within the aforesaid limits for each financial year.

The NRC and the Board while determining the commission payable to the Non-Executive Directors will take into consideration various factors such as Director's participation and contribution in Board and Committee meetings, time devoted in carrying out their duties as envisaged in the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and such other factors as the NRC and the Board may consider fit within the overall limits approved by the Members of the Company.

Further, the Board of Directors at its meeting held on May 25, 2023, subject to approval of the Shareholders, approved the following: a) For FY23: Commission of ₹ 13 Lakhs to each Non-Executive Director (excluding Director being part of the Promoter group) aggregating to ₹ 85 Lakhs; including proportionate commission of ₹ 6.5 Lakhs to Dr. S. Sivaram for his tenure of 6 months in FY23. b) For FY24 & FY25: Maximum cap of ₹ 35 Lakhs on the aggregate of sitting fees and commission for each Non-Executive Director within the aforesaid overall limit of 1% of the net profits of the Company. c) For FY26 onwards: Commission to be decided by the NRC and the Board taking into consideration the above factors within the overall limit of 1% of the net profits of the Company as calculated under Section 198 of the Companies Act, 2013 in the respective financial year.

Section 197 of the Act, as amended, permits payment of remuneration to Directors upto a maximum of 1% of the net profits of a company as computed under Section 198 of the Act. Regulation 17(6) of the SEBI Listing Regulations inter alia provides that the Board shall recommend to the Shareholders for their approval all fees or compensation, if any, paid to Non-Executive Directors, including Independent Directors.

Accordingly, approval of the Shareholders is sought by way of an Ordinary Resolution under the applicable provisions of the Act and SEBI Listing Regulations for payment of Commission to the Non-Executive Directors (excluding Directors who are part of the Promoter group) up to 1% of the net profits of the Company as calculated under Section 198 of the Companies Act, 2013 in the respective financial year.

The Non-Executive Directors and their relatives may be deemed to be concerned or interested in the resolution set out at Item No. 5 to the extent of commission that may be received by the respective Director. Other than as stated above, Mr. Tarak Patel and Mr. Ashok Patel, Directors and the Key Managerial Personnel of the Company and their respective relatives are not concerned or interested financially or otherwise, in the resolution set out at item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at item No. 5 of the Notice for approval by the Shareholders of the Company.

Item No. 6

Payment of remuneration to Mr. Tarak Patel, Managing Director (DIN 00166183) of the Company:

The Board of Directors of the Company in its meeting dated May 23, 2020 and Shareholders of the Company at the 57th Annual General Meeting of the Company held on August 27, 2020 ("Shareholder Resolution") had approved the appointment of Mr. Tarak Patel (DIN 00166183) as Managing Director of the Company with effect from June 01, 2020 for a period of 5 years and approved the terms of his appointment (including remuneration payable to Mr. Tarak Patel for FY21 till FY23).

Further, in February 2021, pursuant to acquisition of majority stake of the Pfaudler international business, the role and responsibilities of Mr. Tarak Patel as the Managing Director of the Company increased substantially. Accordingly, the Shareholders at the 58th AGM held on August 13, 2021 approved the payment of additional remuneration for Mr. Tarak Patel, in his capacity as the Managing Director, based on the performance of GMM International S.a.r.l., (the subsidiary of the Company in Luxembourg ("International Business") that consolidates entire Pfaudler group) subject to an aggregate annual cap of USD 500,000, for FY21 till FY24.

Taking into consideration the balance tenure of Mr. Tarak Patel which will continue till May 31, 2025, the Board of Directors on recommendation of the Nomination and Remuneration Committee ("NRC"), at its meeting held on May 25, 2023 has approved the remuneration of Mr. Tarak Patel for his balance tenure as follows:

Proposed Remuneration*:

India Business			
FY	Fixed Component	Variable Component	Remarks
FY24	₹ 2.95 crores	5% of the Net Profit computed under Section 198 of the Companies Act, 2013 (minus the Fixed component for FY24)	No change from FY23 except increase of ₹ 0.20 Crores in Fixed component each financial year.
FY25	₹ 3.15 crores	5% of the Net Profit computed under Section 198 of the Companies Act, 2013 (minus the Fixed component for FY25)	
International Business			
FY	Fixed Component	Variable Component	Remarks
FY24 & FY25	USD 275,000 per annum	3% of net income of GMM International S.a.r.l. to the extent such net income is in excess of USD 9,000,000 (that is net income minus USD 9,000,000) capped at USD 225,000 per annum. Measurement: Net income shall be determined on the basis of GMM International S.a.r.l.'s annual operating result. The average exchange rate of FY24 and FY25 is proposed to be considered for payment of remuneration to be paid out for the respective financial years.	No change from FY23 except exchange rate to be considered at an average exchange rate of each financial year (instead of ₹73 as approved earlier)

Note(s):

*The overall MD remuneration shall be capped at ₹ 16 crores in any financial year.

1. The proposed remuneration structure is focused to ensure alignment of executive compensation with shareholder value. Accordingly, about 50% of Mr. Tarak Patel's remuneration is variable in nature and linked to performance.
2. The industry benchmark* for MD remuneration is ₹ 12 crores. If we scale it up to FY25 for a normal 10% increase, it would be at ₹16 crores. Accordingly, the overall MD annual remuneration is capped at ₹16 crores.

In the event, the Company has lesser than expected profits; the remuneration payable to MD will be lower. In the event, the Company's profits exceed expectations the remuneration payable to MD will be higher however, subject to the overall limit of ₹ 16 Crore.

Note(s): *The 2022 Board Remuneration and Governance Report issued by IMA India.

3. The proposed revision in remuneration above is well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act and hence approval of Central Government is not required for the above revision in remuneration.
4. Mr. Patel received sitting fees from Mavag AG, a wholly owned subsidiary of the Company for attending its Board meetings amounting to CHF 32,500 in FY23. This remuneration is expected to remain constant.
5. The Company has not made any default in repayment of any of its debts or interest payable thereon.

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

Remuneration:

- a. Basic Salary of ~₹ 36,54,947* per month.
- b. Premium on Personal Accident Insurance as per the Company's policy.
- c. Leave Travel allowance incurred for self and his family as per the Company's policy.
- d. Contribution to the Provident Fund, Gratuity, Superannuation Fund, National Pension Scheme and/or any other Statutory contributions/Funds as per the Company's policy.
- e. Leave and encashment of leave as per the Company's policy.

Note(s): *Shall vary as per prevailing exchange rate of the respective financial year.

Perquisites:

- a. Provision for a car and driver as per the Company's car policy.
- b. Fee of clubs.

Others:

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

Commission (Variable Component):

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

Minimum Remuneration:

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

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

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

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

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

I. GENERAL INFORMATION

Nature of Industry:

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

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

Financial Performance:

Under the leadership of Mr. Tarak Patel, Managing Director, the Company has grown considerably as can be seen from the consolidated financial indicators given below:

	Amount in ₹ Crores				
	31.03.2023	31.03.2022	31.03.2021	31.03.2020	31.03.2019
Revenue	3,177.55	2,540.57	1,001.12	591.07	502.64
EBITDA	431.15	283.87	138.76	111.14	85.42
Profit After Tax	213.50	75.36	63.55	71.13	50.58

Foreign investments or collaborations:

GMM Pfaudler Limited completed the transaction to acquire a majority 54% stake of its parent, the Pfaudler Group from the private equity firm Deutsche Beteiligungs AG Fund VI, after receiving all necessary regulatory approvals on February 16, 2021. Further, on September 29, 2022, the Company completed acquisition of the balance 46% stake of the Pfaudler group. Pursuant to the acquisition, GMM Pfaudler has become the 100% ultimate holding company of the Pfaudler group, with the entire business of Pfaudler being consolidated into GMM Pfaudler thereby consolidating the shareholding to fully accrue earnings and synergies.

The Company is now a global and diverse company, having 18 manufacturing locations with an extensive sales and service network and employs more than 1,800 people across 4 continents. GMM Pfaudler is present on the market with several branded product lines covering a broad portfolio that includes fluoropolymers, filtration & drying, engineered column systems, lab & process glass, sealing technology and glass-lined & alloy systems. The Company's Systems and Services capabilities allow the Company to support customers from the lab to the full-scale production plant, including optimizing and improving the whole life cycle of any process equipment normally used in the chemical, pharmaceutical and food industries.

II. INFORMATION ABOUT THE APPOINTEE

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

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

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

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

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

Further to the acquisition of Pfaudler group, the initiatives implemented under the UDAAN model were modified to align with the changing sustainability objectives. The Company at its first-ever Investor Day in September 2022, rolled out its FY25 guidance with revenue of ₹ 3,700 Crores, EBITDA of ₹ 630 Crores and ROCE of 25%.

Post the acquisition of Pfaudler group, the Company launched "Apollo" project to harmonize the synergies between India and International business, under the leadership of Mr. Patel. The program concluded successfully as it realized more than planned synergies during FY22 and FY23. With the onset of FY24, project Apollo is now merged into business operations and incorporated into the Company's FY25 guidance.

Mr. Tarak Patel has also played a pivotal role in completing various transformative acquisitions and transactions during his tenure.

On the domestic front, in the last 3 years, the Company acquired a glass lining manufacturing facility with 3 manufacturing bays spread over 6 acres of land at Hyderabad and acquired state-of-the-art facility spread over 11.9 acres with 7 manufacturing bays located in Vatva, Ahmedabad equipped to manufacture a wide array of Heavy Engineering equipment.

On the international front, since FY21, the Company has acquired 100% stake in the Pfaudler international business. Further, the Company has acquired Hydro Air Research Italia S.r.l. (HARI), a company specializing in process and wastewater applications, particularly membrane separation technologies. The Company also executed a joint venture agreement with JDS Manufacturing (JDS) USA, which will further strengthen position in the Americas. Further, the Company completed the acquisition of Mixel France SAS, a French company along with its wholly-owned subsidiary in China; that specializes in the design and manufacture of standard and tailor-made mixing systems for industrial process applications.

From a stakeholder perspective, in FY21, the Company rolled out its global employee stock option plan as a long term incentive to help in aligning and retaining its employees across the globe. In FY22, the Company issued bonus shares to its shareholders in the ratio of 2:1 (i.e. 2 bonus equity shares for every 1 share held). The share capital of the Company increased from ₹ 2.92 Crores to ₹ 8.99 Crores.

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

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

Remuneration:

Mr. Tarak Patel was paid a total remuneration of ₹ 9.86 Crores (which included payment of commission of ₹ 5.10 Crores) for FY23. The proposed remuneration of Mr. Tarak Patel is comparable with remuneration norms in the industry having regard to the size and products of the Company.

Job Profile and Suitability:

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

Pecuniary relationship directly or indirectly with the Company:

Mr. Tarak Patel is the son of Mr. Ashok Patel, the Indian Promoter & Non-Executive Director of the Company. Mr. Tarak Patel along with his relatives holds 8.65% of the shares in the Company.

III. OTHER INFORMATION

For the year ended March 31, 2023, the Company reported a consolidated net profit of ₹ 213.50 Crores.

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

Expected increase in productivity and profits in measurable terms:

With these initiatives coupled with the benefit of synergies of acquisitions, the Company is expected to achieve the revenue in the region of ₹ 3,700 Crores and ROCE of over 25% for the consolidated business by FY25.

The other disclosures as required on all elements of remuneration package such as salary, benefits, bonuses, pensions, details of fixed components and performance linked incentives along with performance criteria, service contract details, notice period, severance fees, etc. as applicable have been made in the Directors' Report under the heading 'Corporate Governance Report' forming part of the Annual Report for FY23.

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

Draft of the employment contract between Mr. Tarak Patel and the Company will be available for electronic inspection by the members from the date of circulation of this Notice up to date of this meeting i.e. September 5, 2023. Members seeking to inspect such document may send an email to investorservices@gmmpfaudler.com or mittal.mehta@gmmpfaudler.com requesting a copy of the same.

Accordingly, consent of the Members is being sought for passing the resolution as set out in item no. 6 of the Notice for payment of remuneration to the Managing Director for the balance term i.e. upto May 31, 2025.

The Board recommends the resolution set forth at Item No. 6 for the approval of Members as a Special Resolution.

Except Mr. Tarak Patel and his relatives, who are named in the promoter group of the Company and Mr. Ashok Patel, Director of the Company who is also the father of Mr. Tarak Patel, none of the Directors, promoters and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

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

Mittal Mehta

**Company Secretary
Membership No. 7848**

Place: Mumbai
Date: May 25, 2023

Registered Office:

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

ANNEXURE A

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. Malte Woweries
DIN	0009164705
Date of Birth	April 20, 1979 (44 years)
Qualifications	BA Hons Economics, Cambridge University; MA Economics, Instituto Tecnológico Autónomo de México (ITAM); MA, Cambridge University.
Expertise in specific functional area	Finance, Mergers & Acquisitions, Strategy, Financial Planning and Investor Communication
Experience	18 years
Date of first appointment on the Board	May 28, 2021
Shareholding in the Company as on March 31, 2023	Nil
Terms and conditions of appointment/ continuation of Directorship	Non-Executive Director liable to retire by rotation.
Details of last remuneration drawn in ₹ (FY23)	₹ 11.50 Lakhs (Sitting Fees)
Details of proposed remuneration	Sitting fees as may be approved by the Board, in accordance with the applicable provisions of law.
Inter-se Relationship between <ul style="list-style-type: none"> Directors Key Managerial Personnel 	Not Applicable
Number of Meetings of the Board attended during the FY23	Held – 7 Attended – 6
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of the Company	Member of the Audit Committee and Risk Management Committee.
Other Companies in which 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 Public Limited Companies in which he is a Director*	Nil

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

ANNEXURE B

Details of the Directors seeking variation in terms of remuneration required under Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India

Name of Director	Mr. Tarak Patel
DIN	00166183
Date of Birth	December 28, 1975 (47 years)
Qualifications	BA in Economics from the University of Rochester, USA and an MBA jointly conferred by Columbia Business School, London Business School and University of Hong Kong (HKU) Business School.
Expertise in specific functional area	Finance, Marketing and Business Management
Experience	22 years
Date of first appointment on the Board	January 30, 2007
Shareholding in the Company as on March 31, 2023	5,21,880
Terms and conditions of appointment/ continuation of Directorship	Managing Director
Details of last remuneration drawn in ₹ (FY23)	₹ 9.86 Crores (which includes commission of ₹ 5.10 Crores)
Details of proposed remuneration	Please refer Explanatory Statement to Item No. 6 of the Notice.
Inter-se Relationship between <ul style="list-style-type: none"> Directors Key Managerial Personnel 	Son of Mr. Ashok Patel – Non-Executive Director
Number of Meetings of the Board attended during the FY23	Held - 7 Attended - 7
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of the Company	Member of Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.
Other Companies in which she/he is a Director excluding Directorship in Private and Section 8 Companies	Ready Mix Concrete Ltd.
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of other Listed Companies in which he is a Director*	Nil

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

INFORMATION AT A GLANCE

Particulars	Details
Day, date, and time of AGM	Tuesday, September 5, 2023 at 2:00 p.m. (IST)
Mode	Video conference/other audio visual means
Participation through video conference	https://instameet.linkintime.co.in
Final dividend record date	August 29, 2023
Final dividend payment date	On or before October 3, 2023
Cut-off date for e-voting	August 29, 2023
E-voting start date and time	September 2, 2023 at 9:00 a.m. (IST)
E-voting end date and time	September 4, 2023 at 5:00 p.m. (IST)
Last date for Speaker registration	September 1, 2023
Last date for sending questions	September 1, 2023
Name and contact details of e-voting service provider and Registrar and Share Transfer Agent	Link Intime India Pvt. Ltd. Mr. Prathamesh Ghugare, Client Relations – Associate E-mail ID: prathamesh.ghugare@linkintime.co.in Tel. No.: 022 - 4918 6000

Board's Report

To the Members

The Directors have pleasure in presenting the Sixtieth Annual Report together with the Consolidated and Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2023.

1. SUMMARY OF THE FINANCIAL RESULTS:

(₹ in Crore)

STANDALONE

Particulars	March 31, 2023	March 31, 2022
Revenue from operations (Net of excise duty)	1,074.79	814.82
Profit before tax	131.07	127.02
Profit after tax	98.94	94.96

During the financial year 2022-23, on standalone basis revenue was up by 31.91%, Profit before tax was up by 3.19% and Profit after tax was up by 4.19% as compared to previous financial year.

(₹ in Crore)

CONSOLIDATED

Particulars	March 31, 2023	March 31, 2022
Revenue from operations (Net of excise duty)	3,177.55	2,540.57
Profit before tax	275.24	133.38
Profit after tax	213.50	75.36

During the financial year 2022-23, on consolidated basis revenue was up by 25.07%, Profit before tax was up by 106.35% and Profit after tax was up by 183.31% as compared to previous financial year.

2. SHARE CAPITAL:

During the year under review, there was a change in Authorised Share Capital of the Company from ₹5 Crore to ₹10 Crore and change in Paid up Share Capital of the Company from ₹2.92 Crore to ₹8.77 Crore due to the issue of Bonus Shares to the Existing Shareholders of the Company in the ratio of 2:1 on July 14, 2022.

Further, there was a change in the paid-up Share Capital of the Company from ₹8.77 Crore to ₹8.99 Crore due to the issue of 11,04,724 shares having

face value of ₹2 per share on a preferential basis on September 29, 2022.

3. ESOP:

With the approval of the shareholders on December 2, 2021 through Postal Ballot, the Company had introduced GMM Pfaudler Employee Stock Option Plan 2021 ("ESOP Plan 2021"), to reward, incentivise and retain eligible employees.

The Nomination and Remuneration Committee of the Company at their meeting held on May 25, 2023 approved grant of 12,600 Stock Options as part of tranche 2 under the ESOP Plan 2021.

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

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

4. TRANSFER TO RESERVES:

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

5. DIVIDEND:

During the year under review, the Board of Directors declared and paid an Interim Dividend of ₹ 1.00/- per share. The total amount distributed as interim dividend on paid-up share capital for the year amounted to ₹ 4.49 Crore.

Based on the performance of the Company for the year, the Board of Directors is pleased to recommend a Final Dividend of ₹1.00/- on the paid-up share capital for the year amounted to ₹4.49 Crores.

The dividend declared and/or paid by the Company for the financial year 2022-23, is in compliance with the Dividend Distribution Policy of the Company.

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

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

In accordance with the provisions of Section 129(3) of the Act read with the Companies (Accounts) Rules, 2014, a report on the performance and financial position of the Company's subsidiaries for the financial year ended March 31, 2023 are set out as 'Annexure B' forming a part of this Report.

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

7. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial reporting as designed and implemented by the Company are adequate and ensure that all transactions are authorized, recorded and reported correctly in a timely manner. During the year under review, no material or serious lapses have been observed by the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

8. INTERNAL CONTROL SYSTEMS:

The Company's internal control systems are commensurate with the nature of its business, size and complexity of its operations. Appropriate internal control policies and procedures have been setup to ensure compliance with various policies, practices and statutes keeping in view the organization's pace of growth and increasing complexity of operations. The Internal Auditors carry out extensive audits throughout the year across all functional areas and submit their reports to the Audit Committee to further strengthen the process and make them more effective. The Audit Committee periodically reviews the adequacy and effectiveness of the Company's internal financial control and implementation of audit recommendations.

9. MANAGEMENT DISCUSSION & ANALYSIS:

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

10. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

The Company has been conducting business in a sustainable manner and to create maximum value for all its stakeholders. Business Responsibility and Sustainability Report for FY23 in accordance with Regulation 34(2) (f) of the SEBI Listing Regulations, forms part of this report.

It describes various initiatives taken by the Company from environment, social and governance perspective.

11. CORPORATE GOVERNANCE:

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

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

12. CORPORATE SOCIAL RESPONSIBILITY:

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

The CSR Policy is available on the Company's website at <https://www.gmmpfaudler.com/file/CorporateSocialResponsibilityPolicy.pdf>

The composition of the Committee, contents of CSR Policy and report on CSR activities carried out during the financial year ended March 31, 2023 is provided under Annual Report on CSR prescribed under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are set out as 'Annexure C' forming a part of this Report.

The Company has setup a CSR Foundation under the name of GMM Pfaudler Foundation, (Section 8 Company), a wholly owned subsidiary of the

Company. The Foundation focuses on activities relating to healthcare, education and environment in line with the Company's CSR policy.

13. RELATED PARTY TRANSACTIONS:

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

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

The particulars of material contracts or arrangements with related parties entered by the Company during financial year ended March 31, 2023 are given in prescribed Form AOC – 2 set out in 'Annexure D' forming a part of this Report.

Except as stated above:

- a) All contracts/arrangements/transactions entered into by the Company during the year under review with related parties were in the ordinary course of business and on arm's length basis in terms of provisions of the Act:
- b) No contracts or arrangements entered into under Section 188(1) of the Act and
- c) No materially significant related party transaction that may have potential conflict with the interest of the Company at large.

The particulars of contracts or arrangements entered into with the related party are set out in Note 41 to the standalone financial statements of the Company forming part of the Annual Report.

The Company in terms of Regulation 23 of the SEBI Listing Regulations submits within the stipulated time from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions to the stock exchanges, in the format specified in the relevant accounting standards and SEBI.

14. RISK MANAGEMENT POLICY:

The Company recognises that risk is an integral and inevitable part of business and is fully committed to manage the risks in a proactive and efficient manner.

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

The Risk Management Committee ("RMC") of the Company has been entrusted by the Board with the responsibility of reviewing the risk management process in the Company and to ensure that key strategic and business risks are identified and addressed by the management. A sub-committee of the RMC named Executive Risk Management Council ("ERMC") consistently monitors and records changes in the business environment, threats and factors impacting the risk profile of the Company. The ERMC tracks and reports the implementation of the risk mitigation plans to the RMC which in turn reports to the Board of Directors.

Necessary information on the reference to the RMC, including meetings of the RMC held during the year and other related information are furnished in the Corporate Governance Report attached herewith and forms part of this Report.

15. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP):

A. DIRECTORS:

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

During the year under review, Mr. Prakash Apte was appointed as an Independent Director with effect from May 25, 2022. Dr. Sivaram retired as Chairperson and Independent Director of the Company with effect from the end of business hours on September 19, 2022. Consequent to the retirement of Dr. Sivaram, Mr. Prakash Apte, Independent Director has succeeded as the

Chairperson of the Company with effect from September 20, 2022.

As on date, Mr. Prakash Apte, Mr. Nakul Toshniwal, Ms. Bhawana Mishra and Mr. Vivek Bhatia are the Independent Directors on the Board. All the Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations as amended from time to time. The Independent Directors have also confirmed that they have complied with the provisions of Schedule IV of the Act and the Company's Code of Conduct.

The Company's Board is of the opinion that the Independent Directors possess requisite qualifications, experience and expertise in industry knowledge and they hold highest standard of integrity. All Independent Directors of the Company have registered their name in the data bank maintained with the Indian Institute of Corporate Affairs in terms of the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014.

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

All Directors have given a certificate to the Compliance Officer confirming the adherence to the Code of Conduct & Ethics Policy of the Company for the financial year 2022-23.

B. KEY MANAGERIAL PERSONNEL:

During the year under review, there is no change in the Key Managerial Personnel of the Company. As on date, Mr. Tarak Patel, Managing Director, Mr. Aseem Joshi, Chief Executive Officer, Mr. Manish Poddar, Chief Financial Officer and Ms. Mittal Mehta, Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company.

C. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Act, and in relation to the audited financial statements of the Company for the year ended March 31, 2023, the Board of Directors hereby confirms that:

- a. in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the Directors have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the year;
- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

D. MEETINGS OF THE BOARD:

Seven (7) Meetings of the Board of Directors were held during the financial year ended March 31, 2023. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report.

E. AUDIT COMMITTEE:

The Audit Committee as on March 31, 2023 comprised of four members viz. Mr. Vivek Bhatia, (Chairperson), Mr. Prakash Apte (Member), Mr. Nakul Toshniwal (Member) are Independent Directors and Mr. Malte Woweries (Member) is a 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 Audit Committee are provided in the Corporate Governance Report annexed to this Report. All the recommendations made by the Audit Committee during the year were accepted by the Board.

F. STAKEHOLDERS RELATIONSHIP COMMITTEE & NOMINATION AND REMUNERATION COMMITTEE:

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

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

G. NOMINATION, REMUNERATION AND EVALUATION POLICY:

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

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

H. BOARD EVALUATION:

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

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

In order to have a fair and unbiased view of all the Directors, the Company used a secured online application of an external agency which helped maintain anonymity of the evaluation feedback.

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

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

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

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

I. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry. The Familiarization Programme for the Board and details of various familiarization programmes conducted during the year ended March 31, 2023 are available on the Company's website at <https://www.gmmpfaudler.com/file/FamiliarizationProgrammeFY23.pdf>

16. VIGIL MECHANISM

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

The Company has constituted an Ethics Committee to receive and investigate complaints received under the Whistle Blower Policy.

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

The mechanism ensures adequate protection and safeguards from any victimization on reporting of unethical practices and irregularities. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

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

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

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

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

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

During the year under review, the Company has not received any complaint of sexual harassment. The policy formulated by the Company for Prevention of Sexual Harassment is available on the website of the Company at <https://www.gmmpfaudler.com/file/AntiSexualHarrassmentPolicynew.pdf>

18. AUDITORS AND AUDITORS' REPORT:

A. STATUTORY AUDITORS:

M/s. Deloitte, Haskins & Sells, Chartered Accountants (FRN 117365W) were re-appointed as Statutory Auditors of the Company, for a second term of consecutive five years, i.e. from the conclusion of 57th Annual General Meeting held on August 27, 2020 till the conclusion of 62nd Annual General Meeting by the shareholders of the Company. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Auditors' Report for the financial year ended March 31, 2023 report does not contain any reservation, qualification or adverse remark. The notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

B. SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Act and Rules made there under, the Board of Directors had appointed M/s. Rathi and Associates, Practicing Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2022-23.

The Secretarial Audit Report obtained pursuant to the provisions of Section 204 of the Act and Rules made there under, from M/s. Rathi and Associates, Practicing Company Secretaries for the financial year 2022-23 is set out at 'Annexure E' forming a part of this Report and does not contain any reservation, qualification or adverse remark.

Further, the Board of Directors at their meeting held on May 25, 2023 have re-appointed M/s. Rathi and Associates, Practicing Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2023-24.

C. COST AUDITORS:

Pursuant to Section 148 of the Act read with the Companies (Cost Record and Audit) Rules, 2014, the Board of Directors of your Company on recommendation of the Audit Committee appointed M/s. Dalwadi & Associates, Cost Accountants, Ahmedabad as Cost Auditors of the Company for the financial year 2022-23.

Further, the Board of Directors, on recommendation of the Audit Committee at their meeting held on May 25, 2023 have re-appointed M/s. Dalwadi & Associates, Cost Accountants for conducting audit of the cost accounting records maintained by the Company in respect of its manufacturing activities for the financial year 2023-24.

As required under the Act, the remuneration payable to the Cost Auditor has to be placed before the Members at a general meeting for ratification. Hence, a resolution relating to the same forms part of the Notice convening the AGM.

D. INTERNAL AUDITORS:

M/s. Mazars conducted internal audit of the Company for FY23. Significant audit observations and corrective actions thereon were presented to the Audit Committee on a regular basis. No instances of fraud, suspected fraud, irregularity or failure of internal control systems of material nature were reported by the internal auditors during the year.

The current term of Mazars as Internal Auditors of the Company expired on March 31, 2023 as per the guidance note for appointment of Statutory Auditors & Internal Auditors of the Company.

The Board of Directors have appointed Ernst & Young LLP as Internal Auditors of the Company for the financial year 2023-24.

19. CREDIT RATING:

During the year under review, CRISIL Ratings Ltd. vide its report dated February 3, 2023 has reaffirmed the Company's long-term banking facilities the CRISIL AA-/Stable. CRISIL has also re-affirmed short-term banking facility ratings at CRISIL A1+. Further, ICRA Ltd vide its report dated August 16, 2022 has reaffirmed the Company's long-term banking facilities the [ICRA]AA-(Stable) and re-affirmed short-term banking facility ratings at [ICRA]A1+.

The above ratings are considered to have a high degree of safety regarding timely payment of financial obligations carrying lowest credit risk.

20. STATUTORY STATEMENTS:

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

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

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

There have been no material changes and commitments affecting the financial position of the Company since the closure of the financial year i.e. since March 31, 2023.

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

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

D. ANNUAL RETURN:

The Annual Return of the Company for the financial year ended March 31, 2023 in Form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014 is available on the Company's website at <https://www.gmmpfaudler.com/file/Annual-Return-FY23.pdf>

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

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

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

The particulars of loans given and investments made during the financial year under Section 186 of the Act are given at Notes forming part of the Financial Statements.

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

During the year under review, Mr. Tarak Patel, Managing Director received a remuneration of CHF 32,500 from Mavag AG, wholly owned subsidiary of the Company as sitting fees for attending its Board meetings.

H. INVESTOR EDUCATION AND PROTECTION FUND:

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

During the year under review, the Company has transferred ₹400,507 on account of unclaimed/unpaid dividend along with corresponding 460 equity shares of face value ₹2/- each to the IEPF.

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

Ms. Mittal Mehta, Company Secretary & Compliance Officer, Email: mittal.mehta@gmmpfaudler.com

21. 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 2022-23:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. Issue of sweat equity shares.
3. Non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014;
4. Material or serious instances of fraud falling within the purview of Section 143(12) of the Companies Act, 2013 and Rules made there under.
5. Change in the nature of business of the Company.
6. Revision of financial statements of the Company pertaining to previous financial years, during the year.
7. Acceptance or renewal any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with the

For and on behalf of the Board of Directors

Prakash Apte
Chairperson
DIN: 00196106

Place: Mumbai
Date: May 25, 2023

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

Companies (Acceptance of Deposit) Rules, 2014 during the year under review.

8. Application made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable;
9. Disclosure of the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

The Board of Directors confirm that the Company has complied with the applicable Secretarial Standards issued by ICSI on Meetings of the Board of Directors and General Meetings.

22. ACKNOWLEDGEMENT:

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

Tarak Patel
Managing Director
DIN : 00166183

Annexure 'A'

DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION

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

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

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

2. OBJECTIVE

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

3. PHILOSOPHY

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

4. DEFINITIONS

4.1 Unless repugnant to the context:

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

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

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

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

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

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

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

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

4.2 Interpretation

In this Policy, unless the contrary intention appears:

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

Words in singular number include the plural and vice versa.

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

5. PARAMETERS FOR DECLARATION OF DIVIDEND

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

5.1 Internal Factors / Financial Parameters

1. Consolidated net operating profit after tax;

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

5.2 External Factors

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

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

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

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

7. UTILIZATION OF RETAINED EARNINGS

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

8. PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

- 8.1 The Company has only one class of shares referred to as equity shares of the face value of ₹ 2 each, forming part of its Issued, Subscribed and Paid – up share capital.
- 8.2 Dividend (including interim and/or final) would be declared and paid to equity shareholders at the rate fixed by the Board of Directors of the Company. Final dividend proposed by the Board of Directors, if any, would be subject to the approval of the shareholders at the Annual General Meeting.

9. PROCEDURE

- 9.1 The Chief Financial Officer in consultation with the Managing Director of the Company shall recommend with a rationale of any amount to be declared/ recommended as Dividend to the Board of Directors of the Company.
- 9.2 Pursuant to the provisions of applicable laws and this Policy, interim Dividend, if any, approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders' approval, at the ensuing Annual General Meeting of the Company.
- 9.3 The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

10. AMENDMENTS TO THE POLICY

- 10.1 The policy shall be subject to review as may be deemed necessary and to comply with regulatory amendments or statutory modification and subject to the necessary approvals of the Board of the Directors.
- 10.2 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Sr. No.	Name of the subsidiary	GMM Pfaudler Foundation	Movag AG	GMM International S.r.l.	Pfaudler GmbH*	Pfaudler Normag Systems GmbH	Pfaudler interseal GmbH	Mixel France SAS	Pfaudler Service BeNeLux B.V.	Pfaudler S.r.l.	Hydro Air Research Italia S.r.l.	Pfaudler Limited	Pfaudler (Chang Zhou) Process Equipment Company Limited#	Mixel Agitator Company Limited	Pfaudler S.A.de C.V.	Edlon Inc.	GMM Pfaudler US Inc.@	GMM Pfaudler Ltd.	Pfaudler Private Limited	
1	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
2	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	INR	CHF	USD	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	CNY	CNY	MXN	USD	USD	USD	BRL	SGD
3	Share capital	0.01	20.25	4.50	90.18	0.22	0.70	2.22	0.16	66.16	0.89	157.66	62.40	9.26	2.66	43.92	-	13.83	12.80	0.93
4	Reserves and Surplus	0.21	118.90	466.72	228.32	77.11	57.35	65.45	23.80	51.75	43.46	-58.65	47.09	-3.89	8.26	42.88	220.18	-2.13	78.09	-0.39
5	Total Assets	0.23	276.20	774.05	907.55	245.50	86.42	145.30	34.82	231.13	100.13	175.29	359.77	27.87	15.13	169.65	753.66	20.61	121.12	0.59
6	Total Liabilities	0.01	137.05	302.82	589.05	168.17	28.38	77.64	10.86	113.22	55.78	76.29	250.28	22.49	4.22	82.84	533.47	8.91	30.22	0.05
7	Investments	-	81.56	738.94	256.28	-	-	6.33	-	44.33	-	6.44	-	-	-	-	125.88	-	-	-
8	Turnover	0.21	197.73	-	399.18	190.37	99.15	28.17	34.07	168.28	30.61	176.48	307.26	2.77	13.48	147.38	652.94	-	132.88	-
9	Profit before taxation	-	6.14	-44.68	3.62	16.80	0.77	1.08	6.02	32.47	-1.74	14.29	18.99	-0.93	1.57	41.93	22.70	-2.13	30.87	0.04
10	Provision for taxation	-	0.84	-6.16	24.47	-5.38	0.23	-0.27	-1.16	-4.90	1.77	-6.67	-4.76	0.05	-0.47	-10.15	-4.74	-	-9.03	-
11	Profit after taxation	0.21	5.30	-50.84	28.10	11.42	1.00	0.81	4.85	27.57	0.03	7.62	14.24	-0.88	1.11	31.77	17.96	-2.13	21.84	0.04
12	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	% of shareholding	100%	100%	100%**	100%**	100%**	100%**	100%	100%**	100%**	100%	100%**	100%**	100%	100%**	100%**	100%**	51%	100%**	100%**

Note(s):

*Including subsidiary - Pfaudler France Sà r.l.

@Including subsidiary - Glasteel Parts and Services, Inc

**Is a wholly owned subsidiary of GMM Pfaudler Ltd we.f. September 29, 2022 pursuant to the acquisition of balance 46% shareholding of GMM International S.a.r.l.

PART B - ASSOCIATE COMPANIES AND JOINT VENTURES

As on March 31, 2023, the Company does not have any Associate Companies or Joint Ventures.

For and on behalf of the Board of Directors

Prakash Apte

Chairperson

Place: Mumbai

Date: May 25, 2023

Tarak Patel

Managing Director

Place: Mumbai

Date: May 25, 2023

Manish Poddar

Chief Financial Officer

Place: Mumbai

Date: May 25, 2023

Mittal Mehta

Company Secretary

Place: Mumbai

Date: May 25, 2023

Annexure 'C'

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

1. Brief outline on CSR Policy of the Company.

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

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

2. Composition of CSR Committee:

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

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

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

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

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

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

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): <https://www.gmmpfaudler.com/sustainability/corporate-social-responsibility>

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

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

6. Average net profit of the company as per section 135(5): ₹110.85 crore
7. (a) Two percent of average net profit of the company as per section 135(5): ₹2.22 crore
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year (7a+7b- 7c): ₹2.22 crore
8. (a) **CSR amount spent or unspent for the financial year:**

Amount in INR

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

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

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

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

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local Area (Yes/ No)	Location of project		Amount spent for the project (amt in ₹)	Mode of implementation-Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
1	Project SPARSH 2.0 aims at connecting the last person in villages to appropriate levels of healthcare through trained Village Health Workers (VHWs) health centers and a tertiary care center for critical cases.	Promoting rural Healthcare including preventive healthcare	Yes	Gujarat	Anand	30,00,000	No	GMM Pfaudler Foundation	CSR00029127

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local Area (Yes/ No)	Location of project		Amount spent for the project (amt in ₹)	Mode of implementation-Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
2	Upgradation of Maternity ward at ESIC Hospital	Promoting rural Healthcare including preventive healthcare	Yes	Telangana	Hyderabad	22,42,936	No	GMM Pfaudler Foundation	CSR00029127
3	Setting up of an immersive 'walk through exhibition' on the life of Sardar Patel at the Sardar Patel Memorial in Karamsad	Promoting Education	Yes	Gujarat	Anand	38,89,467	No	GMM Pfaudler Foundation	CSR00029127
4	Skill Development Program towards annual operating expenses for JV Patel ITI	Promoting education and enhancing vocational skills	Yes	Gujarat	Anand	25,00,000	No	GMM Pfaudler Foundation	CSR00029127
5	Infrastructural development at JV Patel ITI	Promoting education and enhancing vocational skills	Yes	Gujarat	Anand	43,29,744	No	GMM Pfaudler Foundation	CSR00029127
6	Solar Energy Technician Course	Promoting education and enhancing vocational skills	Yes	Hyderabad	NA	1,71,100	No	GMM Pfaudler Foundation	CSR00029127
7	Project "Re(ef)Generate" that aims to pilot the restoration and rehabilitation of corals in the in the Andaman Islands.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna	No	Andaman Islands	NA	15,00,000	No	GMM Pfaudler Foundation	CSR00029127
8	Rescue and rehabilitation of marine life on the Karnataka coast	Ensuring environmental sustainability, ecological balance, protection of flora and fauna	No	Karnataka	Udupi	15,00,000	No	GMM Pfaudler Foundation	CSR00029127
9	Dissemination of Improved Biomass Cookstoves (IBCS) in rural areas of Gujarat	Ensuring environmental sustainability, ecological balance, protection of flora and fauna	Yes	Gujarat	Anand	10,00,000	No	GMM Pfaudler Foundation	CSR00029127
10	Urban Afforestation- Tree Plantation Drive	Environmental sustainability, ecological balance, protection of flora and fauna	Yes	Telangana	Hyderabad	9,28,000	No	GMM Pfaudler Foundation	CSR00029127
Total						2,10,61,247			

(d) Amount spent in Administrative Overheads: ₹ 11,08,486

(e) Amount spent on Impact Assessment, if applicable: ₹ 3,65,000*

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 2.22 crore

*Amount spent towards voluntary impact assessment which forms a part of the administrative overheads.

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount in INR
(i)	Two percent of average net profit of the company as per Section 135(5)	2,21,69,733
(ii)	Total amount spent for the Financial Year	2,21,69,733
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

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

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹ Crore)	Details of entity/ authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
1	Distribution of Improved Biomass Cookstoves to various beneficiaries (Individual Households) Address: Rural areas of Gujarat	NA	April 1, 2022 to March 31, 2023	0.10	NA	Various beneficiaries (Individual households)	Rural areas of Gujarat
2	Infrastructural development at JV Patel ITI Address: Near GMM Pfaudler Ltd., Anand-Sojitra Road, Karamsad, Anand	388325	April 1, 2022 to March 31, 2023	0.43	NA	JV Patel Industrial Training Institute	Near GMM Pfaudler Ltd., Anand-Sojitra Road, Karamsad-388325 Anand
3	Upgrading maternity ward at ESIC Hospital Address: Mallapur Main Road, Nacharam, Hyderabad, Telangana	500076	April 1, 2022 to March 31, 2023	0.22	NA	Employees' State Insurance Corporation (ESIC) Hospital	Mallapur Main Road, Nacharam, Hyderabad - 500076 Telangana

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
4	Setting up of an immersive 'walk through exhibit' on the life of Sardar Patel Address: Anand-Sojitra Road, Nr. Shri Krishna Hospital, Karamasad, Anand	388325	April 1, 2022 to March 31, 2023	0.38	NA	Sardar Vallabhbai Patel & Veer Vithalbhai Patel Memorial	Anand-Sojitra Road, Nr. Shri Krishna Hospital, Karamasad - 388325 Anand

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

For and on behalf of the Board of Directors

Bhawana Mishra
Chairperson - CSR Committee
DIN : 06741655

Tarak Patel
Managing Director
DIN : 00166183

Place: Mumbai
Date: May 25, 2023

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

Annexure 'D'

FORM NO. AOC - 2

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

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

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

During the financial year ended March 31, 2023, no contracts or arrangements or transactions were entered into by GMM Pfaudler Limited ("the Company") with related parties, which were not at arm's length basis.

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

1 Name(s) of the related party and nature of relationship	GMM International S.à.r.l: subsidiary of GMM Pfaudler Limited
2 Nature of contracts arrangements/ transactions	Acquisition by GMM Pfaudler Limited of balance 46% shareholding of its existing overseas subsidiary, GMM International S.à.r.l. from Pfaudler International S.à.r.l. (a promoter group company and part of the private equity firm Deutsche Beteiligungs AG Fund VI) and Millars Concrete Technologies Private Limited (a promoter group company and part of the Patel family)
3 Duration of the contracts / Arrangements / Transactions	The acquisition has been completed on September 29, 2022.
4 Salient terms of the contracts or arrangements or transactions including the value, if any	Upon receipt of relevant regulatory approvals, the Company acquired the balance stake (46%) in the Pfaudler international business, through GMM International S.a.r.l., a special purpose vehicle incorporated under the laws of Luxembourg, for the following consideration: (a) payment of ₹ 149,46,61,094 to Pfaudler International S.a.r.l.; (b) payment of ₹ 23,91,05,456 to Millars Concrete Technologies Private Limited; (c) issuance and allotment of 11,04,724 equity shares of the Company having face value of ₹ 2, to Millars Concrete Technologies Private Limited at a price of ₹ 1,542.43 per equity share on a preferential basis.
5 Date(s) of approval by the Board, if any	Approval of the Board at its meeting held on - August 4, 2022 Approval of the Shareholders by way of resolution passed at Extra-Ordinary General Meeting held on September 1, 2022
6 Amount paid as advances, if any	-

For and on behalf of the Board of Directors

Prakash Apte
Chairperson
DIN: 00196106

Tarak Patel
Managing Director
DIN : 00166183

Place: Mumbai
Date: May 25, 2023

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

Annexure 'E'

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To
The Members
GMM PFAUDLER LIMITED
Vithal Udyognagar,
Anand – Sojitra Road,
Karamsad – 388325

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2023, 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, however subject to verification of the audited financial statements for the Financial year ended March 31, 2023 and documents related thereto:

- We have examined the books, papers, minute books, forms and returns filed and other records maintained by GMM Pfaudler Limited for the Financial Year ended on March 31, 2023, according to the provisions of:
 - The Companies Act, 2013 ('the Act') and the rules made there under;
 - The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
 - The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - Foreign Exchange Management Act, 1999 and the rules and regulations made there under

- to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings for the financial year under report;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
 - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

- Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 were not applicable to the Company under the financial year under report:
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with clients;
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.
- We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other laws were specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under report were carried out in compliance with the provisions of the Act.

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

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

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

We further report that the following events took place that had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to hereinabove.

We further report that during the year under review-

- i. The Company has allotted 2,92,35,000 fully paid-up Bonus Equity Shares of ₹2/- each in the ratio of 2 (two) new fully paid-up Bonus Equity Share of ₹ 2/- each for every 1(one) existing fully paid-up Equity Shares of ₹ 2/- each held aggregating to ₹ 5,84,70,000 (Rupees five Crore Eighty-Four lakh and Seventy Thousand only) to the eligible members whose names appeared in the register of members/ List of Beneficial Owners as provided by NSDL and CDSL as on Tuesday, July 12, 2022, being the record date;
- ii. The Company has issued and allotted, on a preferential basis, of 11,04,724 equity shares of the Company having face value of ₹2, at a price of ₹1,542.43 per equity share to Millars Concrete Technologies Private Limited for the transfer of 1,24,84,846 shares in GMM International S.à.r.l to the Company and subsequently all subsidiaries of GMM International S.à.r.l have in turn become the step down subsidiaries of the Company;
- iii. The Company has obtained approval of the members under Section 180 (1) (a) of the Companies Act, 2013 by way of a Special Resolution for creation of security in respect of an undertaking of the Company and creation of pledge in respect of acquisition of additional shareholding in GMM International S.à.r.l;
- iv. The Company has obtained approval of the members under Section 180 (1) (c) of the Companies Act, 2013 by way of a Special Resolution for borrowing up to ₹ 600 Crore over and above the aggregate of the paid up share capital and free reserves of the Company.

Apart from the above, there were no other actions having a major bearing on the Company's affairs during the period under report.

For RATHI & ASSOCIATES
COMPANY SECRETARIES

JAYESH SHAH

PARTNER

M. No. FCS 5637

C.P. No. 2535

UDIN: F005637E000374931

Peer Review Cert. No: 668/2020

Place: Mumbai
Date: May 25, 2023

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

ANNEXURE - I

To
The Members
GMM PFAUDLER LIMITED
Vithal Udyognagar,
Anand – Sojitra Road,
Karamsad – 388325

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

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

For RATHI & ASSOCIATES
COMPANY SECRETARIES

JAYESH M. SHAH

PARTNER

M. No. FCS 5637

C.P. No. 2535

Place: Mumbai
Date: May 25, 2023

Annexure 'F'

DISCLOSURE PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014

A. Conservation of energy:

(a) Steps taken or impact on conservation of energy:

1. Installed 10 inverter-based welding machine and reduced 32,200 KWH/annum power consumption over rectifier base welding machines.
2. Installed 75 three/five-star split AC for power saving.
3. Replaced 513 old HPMV, metal halide and tube lights with 454 LED lights of lower power consumption which resulted in savings of 92,000 KWH/ annum.
4. Replaced Sodium vapor lamps by LED which resulted in annual savings of 16000 KWH.
5. Achieved annual savings of 7500 KWH by interlocking Furnace control room air conditioners with furnace breaker.
6. GL Repair furnace developed in inhouse which resulted in savings of 33000 KWH annually.
7. Capacitor banks added for air compressors to maintain the unity power factor which saved 7000 KWH annually.
8. Timing circuit installed in lighting operation.
9. Controlled lighting & AC by timer base On/Off, refurbishing of 330 KW furnace, Compressor pressure bend setting saved 14,000 KWH/ Annum.
10. Company owns 4 Rain Water Harvesting Wells of 65KL, 45KL, 40 KL and 15KL.

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

1. Total Power of about 12.85 lakh KWH was generated for the financial year 2022-23 from 1MW Roof Top Solar Plant with grid connectivity installed by the Company.
2. The Company owns and maintains windmills with a total generating capacity of 1.8 MW. The windmills generated about 5.12 lakh KWH for the financial year 2022-23.

(c) Strategic initiation to improve machine condition & availability:

1. Installation and commissioning of Natural Gas furnace & 32T stacker crane for GL capacity expansion for 80 KL vessel.
2. Improved machine availability by effective preventive & predictive maintenance (Condition based) for critical equipment & parameters.
3. Implemented preventive maintenance for Electrical panels, secondary equipment like Welding rotators, Positioner, Welding machine other than critical equipment.
4. Implemented 24/7 CMMS (web & mobile application) for the tracking of maintenance activities like breakdown requests.

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

1. Retrofitting work done to improve efficiency and minimize breakdown time of the following equipment:
 - 360 KW Electrical furnace
 - RTF#2 NG furnace hearth with high mass
 - Beko Lathe machine
 - Cooling system installed to RTF#7 furnace for quality improvement
 - 50 KW furnace refurbishing
2. Converted Dynodrive motor of VTL -1 machine with VFD reducing power consumption by 40%.
3. Reconditioned and restored operation of 250 CFM air compressor for reducing operation of 500 CFM air compressor.
4. Modified 6 bed rollers & manipulator DC motors with AC VFD's to increase availability.

(e) Safety:

1. Safety culture enhancement is driven by implementing Behavior Based Safety program.
2. All sites are ISO:14001 & 45001 certified.

3. Implemented Contractor Safety Management System.
4. Testing of equipment for safe working condition.
5. Enhancement of Safety culture by visual aid.
6. Installed Smoke detector.
7. Replaced 10 old electrical panel for Roller and 2 for Alloy shop.
8. Installed emergency push button & tilt L/S for Welding Positioner operator additional safety.
9. New LT panels installed with MCCB in place of SFU panels.
10. Incomer HT Oil circuit breakers replaced with latest version of Vacuum circuit breakers.
11. Old Underground cabling replaced with overhead cabling.
12. Arranged bellow Safety related trainings for Workmen/Staff awareness.
 - Activity related shop floor training
 - Use of PPE training
 - Basic Fire Fighting.
13. Continued with the 5S activities though out the company to improve housekeeping.

(f) Capital investment on energy conservation equipment: Nil.

B. Technology absorption:

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

By Order of the Board of Directors

Prakash Apte
Chairperson
DIN: 00196106

Place: Mumbai
Date: May 25, 2023

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

- (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 – Natural Gas Furnace
- (b) The year of import – 2022
- (c) Whether the technology been fully absorbed – Yes.
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof – N.A.

C. Expenditure incurred on research and development:

Particulars	₹ in crore)	
	Year Ended March 31, 2023	Year Ended March 31, 2022
Capital Expenditure	2.26	-
Recurring Expenditure	2.44	4.28
Total	4.70	4.28
Total R & D Expenditure as % of Total Turnover	0.44%	0.50%

D. Foreign exchange earnings and Outgo:

Particulars	₹ in crore)	
	Year Ended March 31, 2023	Year Ended March 31, 2022
Actual Foreign Exchange earnings	167.13	109.62
Actual Foreign Exchange outgo	34.89	35.06

Tarak Patel
Managing Director
DIN : 00166183

Annexure 'G'

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

1. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Operating Officer, Company Secretary and ratio of the remuneration of each Director to the Median remuneration of the employees of the Company for the financial year 2022-23:

Name of Director	Percentage increase in remuneration	Ratio of remuneration of each Director / KMP to Median remuneration of employees
*Mr. Prakash Apte – Non-Executive & Independent Chairperson	N.A.	N.A.
#*Dr. S. Sivaram – Non-Executive & Independent Director	N.A.	N.A.
* Mr. Nakul Toshniwal – Non-Executive & Independent Director	N.A.	N.A.
*Ms. Bhawna Mishra – Non-Executive & Independent Director	N.A.	N.A.
*Mr. Vivek Bhatia – Non-Executive & Independent Director	N.A.	N.A.
*Mr. Harsh Gupta – Non-Executive Director	N.A.	N.A.
*Mr. Malte Woweries – Non-Executive Director	N.A.	N.A.
*Mr. Ashok Patel – Non-Executive Director	N.A.	N.A.
Mr. Tarak Patel – Managing Director	5.26%	132
Mr. Aseem Joshi – Chief Executive Officer	N.A.**	28
Mr. Manish Poddar – Chief Financial Officer	3.71%	15
Ms. Mittal Mehta – Company Secretary & Compliance Officer	20.84%	6

*Entitled for sitting fees.

#Retired from the Board w.e.f. September 19, 2022

**Appointed w.e.f. November 8, 2021. Accordingly, the remuneration paid for FY23 is strictly not comparable with previous year.

2. The percentage increase in the median remuneration of employees in the financial year ended March 31, 2023: 15.90%

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: 809

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. 2022-23 was 16.09%, whereas the increase in the managerial remuneration for the same financial year was 3.67%. Managerial personnel includes Managing Director.

The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also as per the market trend.

5. Affirmation that the remuneration is as per the remuneration policy of the Company:

Remuneration paid to Directors, Key Managerial Personnel and other employees is as per the remuneration policy of the Company.

Further, in terms of the provisions of sub-rules (2) and (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other details of the employees drawing remuneration in excess of the limits set out in these Rules forms part of the Annual Report. In terms of Section 136 of the Companies Act, 2013, this report is being sent to the Members and others entitled thereto, excluding the aforesaid information. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company.

For and on behalf of the Board of Directors

Prakash Apte
Chairperson
DIN: 00196106

Tarak Patel
Managing Director
DIN : 00166183

Place: Mumbai

Date: May 25, 2023

Registered Office:

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

Note: While determining the median and the average increase we have taken the following assumptions:

- We excluded the employees who have joined in the FY 2022-23
- We have excluded the employees who have ceased to be employees in the FY 2022-23 and
- Increase in managerial remuneration excludes remuneration paid to Mr. Aseem Joshi as he was appointed on November 8, 2021.

Report on Corporate Governance

The report on Corporate Governance as prescribed by the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, ("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 Chairperson of the Board is the leader of the Board. The Chairperson 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 Chairperson guides the Board for effective governance structure in the Company.

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

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

3. ETHICS / GOVERNANCE POLICIES:

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

- Anti-Corruption Policy
- Anti-Sexual Harassment Policy
- Antitrust Guidelines
- Board Diversity Policy
- Code of Conduct & Ethics Policy
- Code of Conduct for Prevention of Insider Trading
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Corporate Social Responsibility Policy
- Communications Policy
- Dividend Distribution Policy
- Environment Social Governance Policy
- Export Compliance Guidelines
- Familiarization Policy
- Nomination, Remuneration & Evaluation Policy
- Policy for Determining Material Subsidiaries
- Policy on Determination of Material Events
- Policy for Preservation of Documents and Archival of Documents
- Policy on Related Party Transactions
- Policy and Procedure for enquiry in case of Leak/ Suspected leak of Unpublished Price Sensitive Information
- Risk Management Policy & Strategy
- Suppliers' Code of Conduct
- Whistle Blower Policy

The codes and policies that are required to be disclosed as per the Listing Regulations are available on the website of the Company at <https://www.gmmpfaudler.com/investors/policies-programmes>

4. SCHEDULING OF BOARD AND COMMITTEE MEETINGS:

Minimum four pre-scheduled Board meetings are held annually. Additionally, Board meetings are convened to address the Company's specific needs. In case of business exigencies or urgency, resolutions are passed by circulation. The maximum gap between any two consecutive meetings was not more than 120 (one hundred and twenty) days, as stipulated under Section

173(1) of the Act and Regulation 17(2) of the SEBI Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India. Also, the necessary quorum was present for all the meetings. The Managing Director and the Company Secretary, determine the agenda for every meeting in consultation with the Chairperson of the Board of Directors and the respective Committees.

In order to facilitate effective discussions at the meeting of the Board of Directors, the agenda is bifurcated into items requiring approval and items which are to be taken note by the Board.

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

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

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

6. POST MEETING FOLLOW-UP MECHANISM:

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

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

7. COMPLIANCE:

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

The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The Company also has a succession plan in place for the Board, Key Managerial Personnel and Senior Management of the Company.

The profiles of Directors available at <https://www.gmmpfaudler.com/about-us/leadership/board-of-directors> give an insight into the education, expertise, skills and experience of GMM Pfaudler Board members, thus bringing diversity to the Board's deliberations.

8. BOARD OF DIRECTORS:

a) Composition of the Board:

The Board has an optimum combination of Executive, Non-Executive and Independent Directors, including an Independent Woman Director in conformity with the composition requirements as per Regulation 17(1) of SEBI Listing Regulations and other applicable regulatory requirements. As on date the Board comprises of 8 (Eight) Directors, of which 1 (One) is Executive and 7 (Seven) are Non-Executive, of which 4 (Four) are Independent Directors. The Chairperson of the Company is an Independent Director.

b) Number and dates of Board meetings held during the financial year 2022-23:

7 (Seven) Board Meetings were held during the year ended on March 31, 2023 on May 25, 2022, July 28, 2022, August 4, 2022, two Board Meetings held on November 3, 2022, December 17, 2022, and February 2, 2023.

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

Name of Director	Category of Directorship	Attendance at		Number of Equity shares held in the Company\$	Number of Directorships in other Companies**	Number of Committee positions held in other Companies%
		Board Meetings	Last Annual General Meeting			
Mr. Prakash Apte+ (Chairperson)	Non-Executive, Independent Director	6	Yes	Nil	5	5
Dr. S. Sivaram -	Non-Executive, Independent Director	3	Yes	Nil	4	Nil
Mr. Nakul Toshniwal	Non-Executive, Independent Director	7	No	Nil	Nil	Nil
Ms. Bhawana Mishra	Non-Executive, Independent Director	7	Yes	Nil	Nil	Nil
Mr. Vivek Bhatia	Non-Executive Independent Director	7	Yes	Nil	Nil	Nil
Mr. Harsh Gupta#	Non-Executive Director	6	No	Nil	1	Nil
Mr. Malte Woweries#	Non-Executive Director	6	Yes	Nil	Nil	Nil
Mr. Ashok Patel *	Non-Executive Director	7	No	851,940@	2	Nil
Mr. Tarak Patel *	Executive Director (Managing Director)	7	Yes	521,880	1	Nil

Representing Foreign Promoters.

* Indian Promoters

\$ The Company has not issued any convertible debentures

@ Includes 831,705 equity shares held as Karta of Ashok Patel HUF

+ Appointed w.e.f. May 25, 2022

- Retired from the Board w.e.f. September 19, 2022

** Includes directorships in public companies. Does not include directorships held in private companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.

% Includes Memberships in Audit Committees and Stakeholders Relationship Committees only in accordance with Regulation 26(1) of the SEBI Listing Regulations.

d) Chart setting out the type of directorships held in other public listed companies:

Name of Director	Directorships in other Companies	Type of Directorships
Mr. Prakash Apte	<ul style="list-style-type: none"> Fine Organic Industries Ltd. Kotak Mahindra Bank Ltd. Blue Dart Express Limited 	Independent Director
Dr. S. Sivaram #	<ul style="list-style-type: none"> Supreme Petrochem Limited Apcotex Industries Limited 	Independent Director
Mr. Nakul Toshniwal	Nil	Not Applicable
Ms. Bhawana Mishra	Nil	Not Applicable
Mr. Vivek Bhatia	Nil	Not Applicable
Mr. Harsh Gupta	Nil	Not Applicable
Mr. Malte Woweries	Nil	Not Applicable
Mr. Ashok Patel	<ul style="list-style-type: none"> Skyline Millars Ltd. 	Non-Executive Director
Mr. Tarak Patel	Nil	Not Applicable

Retired from the Board w.e.f. September 19, 2022.

Pursuant to the provisions of Section 165(1) the Companies Act, 2013 and Regulations 26(1) & 17A of the SEBI Listing Regulations, none of the Directors:

- hold Directorships in more than 20 companies (Public or Private),
- hold Directorships in more than 10 public companies,
- hold Membership of Board Committees (Audit & Stakeholders Relationship Committees) in excess of 10 and Chairpersonship of Board Committee in excess of 5.
- serve as Director in more than 7 listed companies.
- serve as Independent Director in more than 7 listed companies.
- who serve as Managing Director/Whole Time Director in any listed company serves as Independent Director in more than 3 listed companies.

e) Disclosure of relationships between Directors inter-se:

Mr. Ashok Patel, Director is the father of Mr. Tarak Patel, Managing Director of the Company. Other than this, none of the other Directors are related to each other.

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

During the year under review, there was no resignation of any Independent Director.

g) Matrix setting out the core skills/expertise/competence of the Board of Directors:

The Board skill matrix provides a guide as to the core skills, expertise, competencies and other criteria (collectively referred to as 'skill sets') considered appropriate by the board of the Company in the context of its business and sector(s) for it to function effectively and those actually available with the Board. The skill sets will keep on changing as the organization evolves and hence the Board may review the matrix from time to time to ensure that the composition of the skill sets remains aligned to the Company's strategic directions. The Board has identified the core skills/expertise/competencies of the Directors in the context of the Company's business for effective functioning and the manner in which the current Board of Directors fulfils these skills/expertise/competencies has been outlined as under:

Name of Director	Area of expertise
Mr. Prakash Apte	Global business & Strategy, Finance, Agriculture, Rural Economy & Management
Dr. S. Sivaram*	Polymer Science and Technology, Technology Strategy, Corporate Governance and General Management
Mr. Nakul Toshniwal	Public Policies, Technology and General Management, Business Strategy
Ms. Bhawana Mishra	Talent and Leadership Development, Strategic Change and Organizational Transformation Specialist
Mr. Vivek Bhatia	Finance, Business Strategy and extensive business experience across mining, metals & mineral processing, cement, power and engineered capital goods
Mr. Harsh Gupta	P & L Management, Sales & Marketing, Mergers & Acquisitions, and Corporate Planning & Strategy
Mr. Malte Woweries	Finance, Mergers & Acquisitions, Strategy and Financial Planning, Investor Communication
Mr. Ashok Patel	International Business, Finance Strategy, Technology and General Management
Mr. Tarak Patel	International Business, Finance, Strategy, Marketing and General Management and Administration

*Retired w.e.f. September 19, 2022.

9. COMMITTEES:

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

Composition of Committees of the Board as on date:

Changes in composition of Committees during the financial year have been respectively disclosed in point 12 of this report.

AUDIT COMMITTEE:

Sr. No.	Name of Director	Category of Directorship	Position in Committee
1.	Mr. Vivek Bhatia	Non-Executive - Independent Director	Chairperson
2.	Mr. Prakash Apte	Non-Executive - Independent Director	Member
3.	Mr. Nakul Toshniwal	Non-Executive - Independent Director	Member
4.	Mr. Malte Woweries	Non-Executive Director	Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Sr. No.	Name of Director	Category of Directorship	Position in Committee
1.	Mr. Prakash Apte	Non-Executive - Independent Director	Chairperson
2.	Mr. Tarak Patel	Managing Director	Member
3.	Mr. Harsh Gupta	Non-Executive Director	Member

NOMINATION & REMUNERATION COMMITTEE:

Sr. No.	Name of Director	Category of Directorship	Position in Committee
1.	Mr. Nakul Toshniwal	Non-Executive - Independent Director	Chairperson
2.	Mr. Prakash Apte	Non-Executive - Independent Director	Member
3.	Ms. Bhawana Mishra	Non-Executive - Independent Director	Member
4.	Mr. Harsh Gupta	Non-Executive Director	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Sr. No.	Name of Director	Category of Directorship	Position in Committee
1.	Ms. Bhawana Mishra	Non-Executive - Independent Director	Chairperson
2.	Mr. Nakul Toshniwal	Non-Executive - Independent Director	Member
3.	Mr. Ashok Patel	Non-Executive Director	Member
4.	Mr. Tarak Patel	Managing Director	Member

RISK MANAGEMENT COMMITTEE:

Sr. No.	Name of Director	Category of Directorship	Position in Committee
1.	Mr. Vivek Bhatia	Non-Executive - Independent Director	Chairperson
2.	Mr. Prakash Apte	Non-Executive - Independent Director	Member
3.	Mr. Tarak Patel	Managing Director	Member
4.	Mr. Malte Woweries	Non-Executive Director	Member
5.	Mr. Ashok Patel	Non-Executive Director	Member

ALLOTMENT COMMITTEE:

Sr. No.	Name of Director	Category of Directorship	Position in Committee
1.	Mr. Harsh Gupta	Non-Executive Director	Chairperson
2.	Mr. Nakul Toshniwal	Non-Executive - Independent Director	Member
3.	Mr. Tarak Patel	Managing Director	Member

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

10. MEETINGS OF COMMITTEES HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2023 AND DIRECTORS' ATTENDANCE:

Committees of the Company	Audit Committee	Stakeholders Relationship Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee	Risk Management Committee	Allotment Committee
Meetings held	5	2	2	2	2	1
Director's attendance						
Mr. Prakash Apte +	3	1	1	N.A.	1	N.A.
Dr. S. Sivaram #	3	1	1	N.A.	1	1
Mr. Nakul Toshniwal	5	N.A.	2	2	N.A.	1
Ms. Bhawana Mishra	N.A.	N.A.	2	2	N.A.	N.A.
Mr. Vivek Bhatia	5	N.A.	N.A.	N.A.	2	N.A.
Mr. Harsh Gupta	N.A.	2	N.A.	N.A.	2	1
Mr. Malte Woweries	4	N.A.	N.A.	N.A.	2	N.A.
Mr. Ashok Patel	N.A.	N.A.	2	2	N.A.	N.A.
Mr. Tarak Patel	N.A.	2	N.A.	2	2	-

+Mr. Prakash Apte was inducted as member of Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee w.e.f. August 1, 2022 except membership in Risk Management Committee which started w.e.f. December 17, 2022.

Dr. Sivaram retired from the Board w.e.f. September 19, 2022.

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. Draft minutes of proceedings of Committee meetings are circulated to the respective committee members for their comments as prescribed under Secretarial Standard-1 issued by the Institute of Company Secretaries of India and minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting. The said minutes are also subsequently placed before Board meetings for noting.

12. TERMS OF REFERENCE AND OTHER DETAILS OF COMMITTEES:

A. Audit Committee:

The Committee's Composition, Terms of Reference as well as Powers are in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations. Members of the Audit Committee possess the requisite qualifications and expertise.

The composition of the Committee is given in Point No. 9 of this Report. During the year under review, Mr. Prakash Apte, Independent Director was inducted as member of the Audit Committee with effect from August 1, 2022. Dr. S. Sivaram ceased to be a member of the Audit Committee due to retirement w.e.f. September 19, 2022.

Compliance Officer:

Ms. Mittal Mehta, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Listing Regulations.

Meeting details:

The Audit Committee met 5 (Five) times during the year under review viz. May 25, 2022; July 28, 2022; August 4, 2022, November 3, 2022 and February 2, 2023. The quorum requirements were met for each meeting. The minutes of the Audit Committee Meetings were taken on record at the Board Meetings. Further, representatives of the Statutory Auditors are invited to attend meetings of the Committee. The Committee also invites the Managing Director, Chief Financial Officer and Internal Auditors as and when their presence at the meeting of the Committee is considered appropriate. In addition, other senior management personnel are also invited to the Committee meeting(s) from time to time, for providing such information as may be necessary.

The Chairperson of the Committee was present at the previous Annual General Meeting of the Company held on September 19, 2022.

In line with the terms of reference, during the year, the Audit Committee, at its meetings, reviewed operations and audit reports for businesses pursuant to audits undertaken by internal auditors under the audit plan approved at the commencement of the year. The quarterly financial results were reviewed by the Committee before submission to the Board. The Committee reviewed the adequacy of internal financial controls on a Company-wide basis and provided recommendations on internal control processes to the Board. The Committee also reviewed the system and processes in place for risk management, insider trading compliance and information security.

Scope:

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

A. Powers & Role of Audit Committee:

Powers of the Audit Committee:

- a) To investigate any activity within its terms of reference or such matter as may be referred to it by the Board and for this purpose obtain professional advice from external sources and have full access to information contained in the records of the Company;
- b) To seek information from any employee;
- c) To obtain outside legal or other professional advice; and
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Company's financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of section 134(3)(c) of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to the financial statements;
 - f) disclosure of any related party transactions; and
 - g) modified opinion(s) in the draft audit report;
- 5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) / the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
- 8) Approval or any subsequent modification of transactions of the Company with related parties in accordance with the Company's policy on related party transactions;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the Company, wherever it is necessary, in consultation with external professional advisors, as deemed fit by the Audit Committee;
- 11) Evaluation of internal financial controls and risk management systems of the Company;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems of the Company;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) Discussion with internal auditors of any significant findings and follow up thereon;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 16) Review compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 and systems for internal control with them;
- 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) 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;

- 19) To review the functioning of the whistle blower mechanism and the vigil mechanism instituted by the Company. The vigil mechanism to provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the chairperson of the Audit Committee or the director nominated to play the role of Audit Committee, as the case may be, in exceptional cases;
- 20) 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;
- 21) 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.
- 22) To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor;
- 23) To review the following information as prescribed under Regulation 18(3) of 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.
 - f) Statement of Deviations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

24) To approve all the Related Party Transactions to be entered into by the Company and subsequent modifications if any and grant omnibus approval for the Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

- a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- c) Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price/ current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transactions cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.
- d) Audit Committee shall review, at least on a quarterly basis, the details of RPT's entered into by the Company pursuant to which the omnibus approval was given.
- e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

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

26) To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

27) To carry out any other functions as may be specified by the Board from time to time.

B. Stakeholders Relationship Committee:

The Composition, Role, Terms of Reference as well as Powers of the Stakeholders Relationship Committee of the Company meet the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The composition of the Committee is given in Point No. 9 of this Report. During the year under review, Dr. S. Sivaram ceased to be a member of the Committee due to his retirement on September 19, 2022. Mr. Prakash Apte, Independent Director was inducted as a member effective August 1, 2022 and he became Chairperson w.e.f. November 3, 2022.

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

Compliance Officer:

Ms. Mittal Mehta, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Listing Regulations.

Meeting Details:

The Stakeholders Relationship Committee met two times during the year under review i.e. May 25, 2022 and November 3, 2022. The minutes of the Stakeholders Relationship Committee Meetings were noted at the Board Meetings.

The Chairperson of the Committee was present at the previous Annual General Meeting of the Company held on September 19, 2022.

Summary of Grievances:

A summary of complaints received and resolved by the Company to the satisfaction of the shareholders/ investors during the year 2022-23, is given below:

Particulars	Number of complaints
Pending at the beginning of the year under review	0
Received during the year under review	12
Resolved during the year under review	12
Pending at the end of the year under review	0

Role of Stakeholders Relationship Committee:

- 1) To consider and resolve the grievances of security holders, including complaints related to transfer, transmission and transposition of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate share certificates, etc. in a time bound manner;
- 2) Review of measures taken for effective exercise of voting rights by shareholders;
- 3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- 4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- 5) To delegate the power of share transfers to an officer of the Company or to the registrar and share transfer agents of the Company, such that the delegated authority shall attend to share transfer formalities at least once in a fortnight and submit details of the same at the earliest to the Stakeholders Relationship Committee, with the objective of expediting the process of share transfers;
- 6) To ensure quick redressal of the complaints of all shareholders;
- 7) To maintain cordial relations with the shareholders and other security holders;
- 8) To address such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Stakeholders Relationship Committee;
- 9) To monitor at the end of every quarter, the number of grievances received, pending or not solved to the satisfaction of shareholders; and
- 10) To carry out any other functions as may be specified by the Board from time to time.

C. Nomination and Remuneration Committee:

The Composition, Role, Terms of Reference as well as Powers of the Nomination and Remuneration Committee ("NRC") of the Company meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations.

The composition of the Committee is given at Point No. 9 of this Report. Dr. S. Sivaram, Independent Director ceased to be a member of NRC due to his retirement with effect from September 19, 2022. Mr. Prakash Apte was inducted as a member w.e.f. August 1, 2022. With a view to take a step towards enhancing governance standards of the Company and considering the expertise of Mr. Harsh Gupta, Non-Executive Director, it was decided to reconstitute the NRC by appointing Mr. Gupta as a member of NRC in place of Mr. Ashok Patel, Promoter Director w.e.f. May 19, 2023. The quorum requirements were met for each meeting. There were no other changes in the composition of the NRC during the year under review.

Meeting Details:

The Nomination and Remuneration Committee met two times during the year under review i.e. May 24, 2022 and February 2, 2023. The minutes of the NRC Meetings were noted at the Board Meetings.

Compliance Officer:

Ms. Mittal Mehta, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Listing Regulations.

Role of Nomination and Remuneration Committee:

- 1) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees of the Company. The said policy will be disclosed in the Board's report. The Nomination and Remuneration Committee shall, while formulating the aforesaid policy, to ensure that:
 - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) remuneration to Executive Directors, Key Managerial Personnel and Senior Management of the Company involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

- 2) To consider the following while approving the remuneration payable to a Manager, Managing Director or a Whole Time Director under Section II or Section III of Part II of Schedule V to the 2013 Act and section 197 of the 2013 Act:
 - a) take into account, financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.;
 - b) to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.
- 3) To formulate the evaluation criteria for performance evaluation of Independent Directors and the Board;
- 4) To devise a policy on Board diversity;
- 5) To identify suitable candidates for directorship including Independent directors and senior management of the Company in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- 6) To ensure that on appointment to the Board, Independent Directors receive a formal letter of appointment setting out clearly what is expected from them in terms of time-committee, committee service and involvement outside meetings of the Board;
- 7) To determine whether to extend or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of the Independent Directors;
- 8) To recommend to the Board, the plans for orderly succession for appointments to the Board and to senior management of the Company;
- 9) To consider any other matters as may be requested by the Board.

Performance evaluation criteria for independent directors:

Pursuant to the provisions of the Companies Act, 2013, and 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.

Major Evaluation Criterias, amongst other criterias, applied are:

- (a) For Independent & Non – Executive Directors:**
- i. Functional Expertise, knowledge and skills
 - ii. Professional conduct;
 - iii. Duties, roles and functions;
- (b) For Executive Directors**
- i. Performance as Team Leader/ Member;
 - ii. Evaluating Business Opportunity and analysis of Risk Reward Scenarios;
 - iii. Key set Goals/ KRA and achievements;
 - iv. Professional Conduct, Integrity;
 - v. Sharing of Information with the Board.

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

With the increase in size and scale of business of the Company, it was felt prudent to enhance the focus of the Board on the right areas to make it more effective and engaged, discern more sharply the areas to focus on that complement the management, and to articulate the agenda as also the culture we wish to create at the Board and the various sub-committees, moving forward. With this objective, the Company had initiated a Board effectiveness and engagement program and the findings were implemented.

Remuneration of Managing Director:

Remuneration of the Managing Director is recommended by the Nomination and Remuneration Committee, fixed by the Board and approved by the shareholders. The remuneration paid to Mr. Tarak Patel for the year ended March 31, 2023 was as under:

(₹ in Crore)		
Sr. No.	Particulars	Amount
1.	Gross Salary	4.67
2.	Perquisites	0.01
3.	Commission	5.10
4.	Retiral Benefits	0.08
	Total	9.86

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 Non-executive Directors are paid sitting fees on a uniform basis for attending meetings of the Board and the Committees. Additionally, the Company

proposes to pay commission to the Non-Executive Directors (excluding Directors forming a part of the Promoter group) subject to approval of Shareholders at the ensuing Annual General Meeting. Apart from the said payment, there are no pecuniary relationships or transactions of the Non-Executive Directors with the Company.

Details of remuneration paid/ to be paid to Non-Executive Directors for FY23 are as follows:

Sr. No.	Director	(Amt in ₹)	
		Sitting Fees	Commission*
1.	Mr. Prakash Apte	12,00,000	13,00,000
2.	Dr. S. Sivaram	9,00,000	6,50,000#
3.	Mr. Nakul Toshniwal	15,50,000	13,00,000
4.	Ms. Bhawana Mishra	10,00,000	13,00,000
5.	Mr. Vivek Bhatia	14,00,000	13,00,000
6.	Mr. Harsh Gupta	9,00,000	13,00,000
7.	Mr. Malte Woweries	11,50,000	13,00,000
8.	Mr. Ashok Patel	9,50,000	N.A.

Note(s): #Proportionate commission for his tenure of 6 months in FY23.

*Subject to shareholders approval.

Non-Executive Directors were paid sitting fees for attending the meetings of the following Statutory Committees during the financial year 2022-23 as under:

- a) ₹ 1,00,000 as sitting fees for each meeting of the Board of Directors and the Audit Committee
- b) ₹ 75,000 as sitting fees for each meeting of the Nomination and Remuneration Committee and Risk Management Committee.
- c) ₹ 50,000 as sitting fees for each meeting of the Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

The Company does not have any stock option scheme provided to Directors of the Company.

D. Corporate Social Responsibility Committee:

The Board in compliance with the requirements of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 constituted a Corporate Social Responsibility Committee (CSR Committee). The Composition, Role, Terms of Reference as well as Powers of the CSR Committee are in compliance with the provisions of the Companies Act, 2013.

The composition of Committee is given at Point No. 9 of this Report. There were no changes in

the composition of the CSR Committee during the year under review.

Meeting Details:

The CSR Committee met on two occasions viz. May 24, 2022 and November 3, 2022. The minutes of the CSR Committee Meetings were noted at the Board Meeting.

Role of Corporate Responsibility Committee:

- 1) To formulate and recommend to the Board, the Corporate Social Responsibility Policy of the Company ("CSR Policy") which shall include inter alia, CSR activities (defined hereunder) to be undertaken by the Company, and the modalities of execution monitoring and implementation schedules of the same. The policy to specify that the surplus arising out of the CSR Activities (defined hereunder) shall not form part of the business profit of the Company;
- 2) To identify the CSR projects/activities/programs to be undertaken by the Company ("CSR Activities"), in alignment with the CSR Policy, Schedule VII of the 2013 Act and the CSR Rules, as amended from time to time;
- 3) To recommend the amount of expenditure to be incurred by the Company on the CSR Activities for each financial year;
- 4) To institute a transparent monitoring mechanism for monitoring progress/status of implementation of CSR Activities;
- 5) To receive reports and review activities from executive and specialist groups managing CSR Activities;
- 6) To monitor the CSR Policy from time to time and revise the same, wherever necessary;
- 7) To issue a responsibility statement confirming that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company;
- 8) To prepare an annual report on CSR Activities to be included in the Board of Director's Report in the form provided in the Annexure to the Companies (Corporate Social Responsibility Policy) Rules, 2014. The same shall be disclosed on the website of the Company;
- 9) To report the CSR activities undertaken by the Company in the manner prescribed under Segment C of the Form AOC-3 of the Companies (Accounts) Rules, 2014; and

10) To carry out such other functions, as may be prescribed under the 2013 Act or CSR Rules or as may be delegated by the Board from time to time.

The Company has setup a CSR Foundation under the name of GMM Pfaudler Foundation, (Section 8 Company), a wholly owned subsidiary of the Company. The Foundation focuses on activities relating to healthcare, education and environment in line with the Company's CSR policy.

E. Risk Management Committee:

The Board in compliance of Regulation 21 of the SEBI Listing Regulations, constituted a Risk Management Committee ("RMC"). The Composition, Role, Terms of Reference as well as Powers of the Risk Management Committee are in compliance with the provisions of the SEBI Listing Regulations.

The composition of Committee is given at Point No. 9 of this Report. Dr. Sivaram, Non-Executive Independent Director ceased to be a member due to his retirement on September 19, 2022. Mr. Prakash Apte, Independent Director was inducted as a member in the RMC with effect from December 17, 2022. Considering the international business expertise of Mr. Ashok Patel, Non-Executive Director, it was decided to reconstitute the RMC by appointing Mr. Ashok Patel in place of Mr. Harsh Gupta w.e.f. May 19, 2023.

Meeting Details:

The Risk Management Committee met twice on July 28, 2022 and January 16, 2023. The minutes of the RMC meeting were noted at the Board Meeting.

Role of Risk Management Committee:

- 1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- 2) To ensure that appropriate methodology, processes and systems are in place to monitor

and evaluate risks associated with the business of the Company;

- 3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- 4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- 5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- 6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- 7) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.
- 8) To perform other activities related to the risk management policy as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.

The Company has a Risk Management policy to ensure sustainable growth of the organisation and to promote pro-active approach in evaluating, mitigating, and reporting such risks associated with the business. The policy establishes a structured and disciplined approach to Risk Management in order to guide decisions on business risk issues. The Company has developed a Risk management Framework with an objective to enhance value of the Company and to the stakeholders (internal and external) by ensuring Company's business and growth objectives are protected.

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

A sub-committee of the RMC named Executive Risk Management Council (ERMC) to consistently monitor and record changes in the business environment, threats and factors impacting the risk profile of the Company. The ERMC tracks and reports the implementation of the risk mitigation plans to the RMC who in turn reports to the Board of Directors. The ERMC consists of the Managing Director, Chief Executive Officer, Chief Financial Officer, Chief Risk Officer (CRO), Business

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

F. Allotment Committee

The Board constituted an Allotment Committee of the Board of Directors of the Company with effect from May 25, 2022 for the purpose of allotment of Bonus Shares to the Shareholders. Further, the Board at its meeting held on November 3, 2022 extended powers of the Allotment Committee in respect of corporate actions of the Company to be undertaken from time to time.

The Composition of Committee is given at Point No. 9 of this Report. Dr. S. Sivaram, Independent Director ceased to be a member of the Allotment Committee with effect from September 19, 2022.

Meeting Details:

The Allotment Committee met once during the year under review i.e. on July 14, 2022. The minutes of the Allotment Committee Meeting was noted at the Board Meeting.

Role of Allotment Committee:

1. To approve allotment of shares through bonus issue, preferential issue, private placement, rights issue, qualified institutional placements to eligible investors and/or identified investors;
2. To authorize various officers and consultants to give effect to the allotment(s).

13. INDEPENDENT DIRECTORS MEETING:

In terms of requirements of the Companies Act 2013, Rules framed there under and Regulation 25(3) of SEBI Listing Regulations, a separate meeting of Independent Directors was held on May 24, 2022 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 Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors.

- 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 Directors is available on the Company's website at <https://www.gmmpfaudler.com/file/FamiliarizationProgrammeFY23.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.

The Code has been put up on the Company's website and can be accessed at <https://www.gmmpfaudler.com/file/GMMCOOC.pdf> The Code has been circulated to Directors and employees, and its compliance is affirmed by them annually.

A declaration signed by the Company's Chief Executive Officer forms a part of this Report.

16. GENERAL BODY MEETINGS:

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

Year	AGM	Date of Meeting	Time of Meeting	Venue	No. of Special Resolutions passed
2019-20	57 th	August 27, 2020	12 noon	Held through Video	2
2020-21	58 th	August 13, 2021	4:00 p.m.	Conference and / or other audio-visual means facilities	2
2021-22	59 th	September 19, 2022	12 noon		-

Since the Annual General Meetings were held by way of video conferencing facilities, all resolutions, including the special resolutions at the said meetings were passed by way of electronic voting i.e. remote e-voting and e-voting at the Annual General Meeting.

Details of Special Resolutions passed at each of the AGM:

- 2020-21 for approval adoption of the amended Articles of Association of the Company and revision in the payment of remuneration to Mr. Tarak Patel as the Managing Director of the Company.
- 2019-20 for appointment of Deloitte Haskins & Sells as Statutory Auditors to hold office until the conclusion of the 62nd AGM and re-appointment of and payment of remuneration to Mr. Tarak Patel as the Managing Director of the Company.

Extraordinary General Meeting:

During the year under review, Extraordinary General Meeting ("EGM") of the shareholders was held on Thursday, September 1, 2022. Mr. Jayesh M. Shah, (FCS 5637) Partner of M/s. Rathi & Associates, Company Secretaries, Mumbai was appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. The scrutinizer submitted his report dated September 2, 2022 on e-voting done by the members. Since the EGM was held by way of video conferencing facilities, the following resolutions were duly passed by the Shareholders of the Company with requisite majority by way of electronic voting i.e. remote e-voting and e-voting at the EGM.

In the meeting, following resolutions were passed:

Resolution No. 1 as a Special Resolution for approval for loans/ investments/ corporate guarantees by the Company in excess of the limits prescribed under the Companies Act, 2013.

Resolution No. 2 as a Special Resolution for approval for borrowings by the Company in excess of the limits prescribed under the Companies Act, 2013.

Resolution No. 3 as a Special Resolution for approval for creation of security in respect of an undertaking of the Company under Section 180(1)(a) of the Companies Act, 2013.

Resolution No. 4 as an Ordinary Resolution for approval of the further acquisition of balance shareholding of GMM International S.à.r.l.

Resolution No. 5 as a Special Resolution for approval for creation of pledge by the Company in respect of its additional shareholding in GMM International S.à.r.l.

Resolution No. 6 as a Special Resolution for approval to create, offer and issue equity shares on preferential basis to Millars Concrete Technologies Private Limited and matters related therewith.

Postal Ballot:

During the year under review, Postal Ballot Notice containing Resolutions together with the Explanatory Statement were emailed to all the shareholders on Wednesday, May 25, 2022. The remote e-voting period commenced from 9:00 a.m. (IST) on Friday, May 27, 2022 and ended at 5:00 p.m. (IST) on Sunday, June, 26, 2022. The Managing Director and the Company Secretary were responsible for postal ballot process. Mr. Jayesh M. Shah, (FCS 5637) Partner of M/s. Rathi & Associates, Company Secretaries, Mumbai was appointed as the Scrutinizer for conducting the postal ballot exercises in a fair and transparent manner. The scrutinizer submitted his report dated June 27, 2022 and on the basis of the report of the Scrutinizer on e-voting done

by the members, the following resolutions as set out in the Postal ballot notice dated May 25, 2022 were duly passed by the Shareholders of the Company with requisite majority:

Resolution No. 1 as a Special Resolution for the appointment of Mr. Prakash Apte (DIN: 00196106) as an Independent Director of the Company for a continuous period of five years from May 25, 2022 to May 24, 2027 (both days inclusive).

Resolution No. 2 as an Ordinary Resolution for increase in Authorised Share Capital to ₹ 10,00,00,000/- (Rupees Ten Crore Only) divided into 5,00,00,000 (Five Crore) Equity Shares of ₹ 2/- (Rupees Two only) each by creation of additional 5,00,00,000 (Five Crore) Equity shares of ₹ 2/- (Rupees Two only) each and consequential alteration to the Capital Clause of Memorandum of Association.

Resolution No. 3 as an Ordinary Resolution for issue of bonus shares to existing equity shareholders of the Company whose names have been registered on the Record Date decided by the Board of Directors.

Resolution No.	Total number of valid Votes	No. of Shares in favour of resolution	Percentage (%)	No. of Shares against the resolution	Percentage
1	97,43,487	97,43,485	100*	2	0.00*
2	97,43,487	95,96,591	98.49*	1,46,896	1.51*
3	97,43,487	95,96,767	98.49*	1,46,720	1.51*

*Decimals more than two have been rounded off

17. MEANS OF COMMUNICATION:

- Quarterly Results:** The Company's quarterly / half-yearly / annual financial results are sent to the Stock Exchanges where the shares are listed and published in the 'Economics Times' – English language (Mumbai and Ahmedabad) and 'Naya Padkar' – Gujarati language (Anand). Simultaneously, they are also displayed on the Company's website at <https://www.gmmpfaudler.com/investors/financial-results-reports/financial-results>
- News Releases, Presentations, etc.:** Official news releases and presentations made to institutional investor, financial analysts, etc. are displayed on the Company's website at <https://www.gmmpfaudler.com/investors/financial-results-reports/investor-presentations> as well as sent to the Stock Exchanges. No unpublished price sensitive information is discussed in meeting/ presentation with institutional investors and financial analysts.
- Website:** The Company's website www.gmmpfaudler.com contains a separate dedicated section 'Investor Relations' where Shareholders' information is made available

and such other information as may be required to be uploaded on the website of the Company in compliance/ accordance with Regulation 46 of the SEBI Listing Regulations as amended from time to time.

- 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 <https://www.gmmpfaudler.com/investors/financial-results-reports/annual-reports>
- Reminder to Investors:** Reminder for unclaimed shares and unpaid dividend are sent to the shareholders as per records one month in advance of the due date to transfer of Investor Education and Protection Fund.

- f) BSE Corporate Compliance & Listing Centre ("Listing Centre"):** BSE's Listing Centre is a web-based application designed by BSE for corporates. All periodic compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on the Listing Centre.
- g) NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for corporates. All periodic compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on NEAPS.
- h) SEBI Complaints Redress Systems (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of the system are: centralized database of all complaints, online upload of Action Taken Report (ATR's) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- i) Designated Exclusive email ID:** The Company has a designated email ID exclusively for investor services: investorservices@gmmpfaudler.com
- j) Green Initiatives:** The Company sends all correspondence/communications through email to those shareholders who have registered their email id with their depository participant's/Company's RTA. Also, the Company has its online application where all agenda papers for the Board and Committee meetings are disseminated electronically on a real-time basis.

18. OTHER DISCLOSURES:

i) Whistle Blower Policy:

The Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct and Ethics Policy or complaints regarding accounting, auditing, internal controls or disclosure practices of the Company. It gives a platform to the whistleblower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints.

A whistleblower can make a complaint in any of the following ways:

- By writing to the Compliance Officer of the Company at compliance@gmmpfaudler.com
- In exceptional cases, the complainant can directly report his/her complaint to the Chairperson of the Audit Committee by e-mail to chairman.auditcommittee@gmmpfaudler.com or by letter addressed to the Audit Committee, marked "Private and Confidential", and delivered to the Chairperson of the Audit Committee, GMM Pfaudler Ltd, 902 VIOS Tower, Sewri-Chembur Road, New Cuffe Parade, Mumbai - 400037.

It is hereby affirmed that no personnel has been denied access to the Audit Committee.

For an effective implementation of the policy, Company has constituted Ethics Committee which will be responsible for conducting inquiries received under this Policy.

The Whistle Blower Policy is placed on the website of the Company and web-link to the same is as under: <https://www.gmmpfaudler.com/file/WhistleBlowerPolicy.pdf>

The confidentiality of such reporting is maintained, and the whistleblower is protected from any discriminatory action.

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

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

Internal 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.

iii) Compliance:

- The Company received communication from National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) dated November 3, 2020 and November 17, 2020 respectively pertaining to non-compliance

under Regulation 18 of the SEBI Listing Regulations with respect to constitution of Audit Committee.

The communication stated that the composition of Audit Committee was not in compliance with the requirement of having 2/3rd of Audit Committee Members as Independent Directors as per SEBI Guidance Note dated May 3, 2018, which stated that all fractions were required to be rounded off to the higher number. The Company immediately took steps to remedy the constitution of its Audit Committee and appointed Ms. Bhawana Mishra, Independent Director as an Audit Committee Member vide circular resolution dated November 10, 2020. However, a penalty of INR 3,09,160/- was levied by NSE and BSE respectively 151 for the said non-compliance under Regulation 18 of the Listing Regulations.

Subsequently, the Company has filed a waiver application with BSE and NSE in November 2020 and February 2021 submitting facts of the case. The BSE and NSE vide email dated July 2, 2022 and September 8, 2022 respectively rejected the application for waiver of penalties levied. Accordingly, the Company has paid the requisite penalty to BSE on July 8, 2021 and to NSE on September 9, 2021.

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

iv) Details of Compliance with Mandatory requirements and adoption of Non-mandatory requirements:

• Mandatory requirements:

The Company has complied with the mandatory requirements of SEBI Listing Regulations with regard to Corporate Governance.

• Non-Mandatory requirements:

- Office for non-executive Chairperson at company's expense: Not Applicable
- Modified opinion(s) in Audit Report: Complied as there are no modified opinion in Audit Report
- The Chairperson of the Board is an Independent Director and his position

is separate from that of the Managing Director and the Chief Executive Officer. Complied

- 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:

The particulars of material contracts or arrangements with related parties entered by the Company during financial year ended March 31, 2023 are given in prescribed Form AOC - 2 set out in 'Annexure D' of the Board's Report.

Except as stated above:

- All contracts/arrangements/transactions entered into by the Company during the year under review with related parties were in the ordinary course of business and on arm's length basis in terms of provisions of the Act;
- No contracts or arrangements entered into under Section 188(1) of the Act; and
- No materially significant related party transaction that may have potential conflict with the interest of the Company at large.

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 Regulations is as under:

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

vii) Certificate from a company secretary in practice:

A Certificate has been received from M/s. Rathi & Associates, Practicing Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs/ Reserve Bank of India or any such statutory authority. The same is annexed to this Report.

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

The Company during the year ended March 31, 2023 had issued 11,04,724 fully paid-up equity shares of the Company having face value of ₹ 2 each on preferential basis for consideration other than cash by way of a share swap to Millars Concrete Technologies Pvt. Ltd. The share swap actions was completed on September 29, 2022, and the purpose for which these proceeds were raised had been achieved.

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

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

x) Fees to the Statutory Auditors of the Company:

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors of the Company is mentioned at Note No. 35 of Notes to standalone financial statements. The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.

xi) Disclosure of Loans and Advances:

The Company and its subsidiaries has not advanced any loans to firms / Companies in which the Directors of the Company are interested.

xii) Details of material subsidiaries:

Sr. No.	Name	Date of Incorporation	Place of Incorporation	Name of Statutory Auditors	Date of Appointment
1	GMM International S.a.r.l., Luxembourg	August 19, 2020	Luxembourg	Deloitte	August 19, 2020
2	Pfaudler LtdA., Brazil	August 4, 1992	Brazil	N.A.	N.A.
3	GMM Pfaudler US Inc.	October 21, 2020	US	N.A.	N.A.
4	Pfaudler Ltd., UK	November 20, 1987	UK	Deloitte LLP	September 1, 2014
5	Mavag AG, Switzerland	January 4, 2008	Switzerland	OBT Limited	May 23, 2023
6	Pfaudler GmbH, Germany	September 27, 1907	Germany	Deloitte GmbH	September 1, 2013
7	Pfaudler S.r.l, Italy	October 8, 1997	Italy	Deloitte & Touche S.p.A.	January 1, 2015
8	Edlon Inc., US	January 31, 1994	US	N.A.	N.A.
9	Pfaudler (Chang Zhou) Process Equipment Company Limited, China	March 29, 1996	China	Suzhou Yixin Certified Public Accountants	December 31, 2020

xiii) 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) Regulations, 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)	Website	Yes

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

Not Applicable

xv) 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. Prakash Apte, Mr. Nakul Toshniwal, Ms. Bhawana Mishra and Mr. Vivek Bhatia are the Independent Directors on the Board. Based on the declarations given by the Independent Directors, the Board is of the opinion that the Independent Directors meet the criteria of independence as provided under section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of management of the Company.

xvi) Policy for Determining Material Subsidiaries:

The policy for determining material subsidiaries is available on the Company's website at <https://www.gmmpfaudler.com/file/PolicyfordeterminingMaterialSubsidiaries.pdf>

xvii) 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 <https://www.gmmpfaudler.com/file/CodeofConductforPreventionofInsiderTrading.pdf>

The Code of fair disclosure of unpublished price sensitive information is available at <https://www.gmmpfaudler.com/file/CodeofpracticesandProceduresforFairDisclosureofUPSI.pdf>

19. GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting:

60th Annual General Meeting of the Company will be held on September 5, 2023 by video-conference.

b) Dividend Payment Date: On or before October 3, 2023

c) Financial year of the Company: April to March

d) Tentative Calendar for the financial year: April 2023 to March 2024

Financial reporting for:

- Quarter ended June 30, 2023	: 2 nd week of August, 2023
- Quarter ended September 30, 2023	: 2 nd week of November, 2023
- Quarter ended December 31, 2023	: 1 st week of February, 2024
- Quarter ended March 31, 2024	: 4 th week of May, 2024
- Annual General Meeting for the year ended March 31, 2024	: 3 rd week of August, 2024

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

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

The Company confirms that the annual listing fees to BSE Limited and NSE Limited for the financial year 2023-24 have been paid.

f) BSE Scrip Code: 505255 / NSE Symbol - GMPFPAUDLR

g) ISIN with NSDL & CDSL: INE541A01023

h) Registrar & Transfer Agents:

Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.
Phone: 022-49186270, Fax: 022-49186060 Contact Person: Mr. Prathamesh Ghugare,
Email: prathamesh.ghugare@linkintime.co.in

i) Compliance officer under SEBI Listing Regulations

Ms. Mittal Mehta, Company Secretary, 902, VIOS Tower, New Cuffe Parade, Sewri- Chembur Road, Mumbai-400037, Phone +91 22 66503900 Fax +91 2692 661888, Email: mittal.mehta@gmmpfaudler.com

j) Share Transfer System:

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

As per SEBI norms, all requests for transfer of securities shall be processed only in dematerialised form. Further vide circular dated January 24, 2022, SEBI has notified that all requests for transmission, transposition, duplicate issuance, splitting and consolidation requests too will be processed in a demat mode only. All Shareholders are requested to convert their shares in demat mode.

k) Shareholding Pattern as on March 31, 2023:

Category	No. of shares	Percent (%)
Foreign Promoters - Pfaudler Inc.	65,44,389	14.56
Indian Promoters Group	1,08,70,711	24.18
NRIs and Body Corporates	6,86,562	1.53
Mutual Funds	36,51,992	8.12
Foreign Portfolio Investors	89,71,784	19.96
Alternative Investment Funds	8,10,227	1.80
Insurance Companies/ Banks/ FIs	2,96,704	0.66
IEPF	1,78,966	0.40
Individuals	1,29,45,889	28.79
Total	4,49,57,224	100.00

l) Distribution of Shareholding as on March 31, 2023:

Sr. No.	Slab of shareholding		Shareholders		Shares	
	No. of Equity shares held		Nos.	%	Share Amt	%
	From	To				
1.	1	500	1,10,048	96.78	48,57,552	10.80
2.	501	1,000	1,829	1.61	12,98,685	2.89
3.	1,001	2,000	920	0.81	12,81,622	2.86
4.	2,001	3,000	340	0.30	8,59,205	1.91
5.	3,001	4,000	109	0.10	3,84,606	0.86
6.	4,001	5,000	99	0.08	4,48,894	0.99
7.	5,001	10,000	144	0.12	9,74,346	2.17
8.	10,001	above	225	0.20	3,48,52,314	77.52
Total			1,13,714	100.00	4,49,57,224	100.00

m) The details of prices of the Equity Shares of the Company on Stock Market for the year:

Month	Market Price on BSE (₹)		Sensex (₹)	
	High	Low	High	Low
April, 2022	5,069.95	4,475.00	60,845.10	56,009.07
May, 2022	4,761.45	4,110.00	57,184.21	52,632.48
June, 2022	4,360.00	3,753.00	56,432.65	50,921.22
July, 2022	4,439.95	1,336.00*	57,619.27	52,094.25
August, 2022	1,754.90	1,524.30	60,411.20	57,367.47
September, 2022	2,110.00	1,640.85	60,676.12	56,147.23
October, 2022	1,990.00	1,800.00	60,786.70	56,683.40
November, 2022	2,189.50	1,816.05	63,303.01	60,425.47
December, 2022	1,999.00	1,485.00	63,583.07	59,754.10
January, 2023	1,663.90	1,500.00	61,343.96	58,699.20
February, 2023	1,657.95	1,509.80	61,682.25	58,795.97
March, 2023	1,625.55	1,415.45	60,498.48	57,084.91

*price adjusted on listing of bonus equity shares

Month	Market Price on NSE (₹)		NIFTY (₹)	
	High	Low	High	Low
April, 2022	5,078.25	4,520.00	18,114.65	16,824.70
May, 2022	4,764.50	4,081.15	17,132.85	15,735.75
June, 2022	4,365.00	3,770.00	16,793.85	15,183.40
July, 2022	4,425.00	1,335.25*	17,172.80	15,511.05
August, 2022	1,758.00	1,525.00	17,992.20	17,154.80
September, 2022	2,110.00	1,642.35	18,096.15	16,747.70
October, 2022	1,991.20	1,811.00	18,022.80	16,855.55
November, 2022	2,044.40	1,818.05	18,816.05	17,959.20
December, 2022	1,999.00	1,485.00	18,887.60	17,774.25
January, 2023	1,663.80	1,520.60	18,251.95	17,405.55
February, 2023	1,659.85	1,509.70	18,134.75	17,255.2
March, 2023	1,629.25	1,415.55	17,799.95	16,828.35

*prices henceforth adjusted on listing of bonus equity shares

n) Dematerialization:

As on March 31, 2023, 98.6% of the Company's total shares representing 44,328,510 shares were held in dematerialized form and the balance 6,28,714 representing 1.4% shares were in Physical Form.

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

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

p) Commodity price risk or foreign exchange risk and hedging activities:

The Company as such is not exposed to any commodity price risk and hence, the disclosure under Clause 9(n) of Part C of Schedule V in terms of the format prescribed vide Circular dated November 15, 2018, is not applicable.

q) Plant Location:

Manufacturing Plants of the Company in India are situated at

- Vithal Udyognagar, Anand – Sojitra Road, Karamsad, 388 325, Gujarat and
- 7, Nacharam Industrial Estate, Secunderabad, Telangana
- 5/1/2, G I D C Vatva, Vatva Railway Crossing, Ahmedabad, Gujarat 382445

For details of manufacturing plants outside India kindly refer details at pg. no. 08

r) Details of credit ratings:

Rating Agency	Long-term banking facilities	Short-term banking facilities
CRISIL Ratings Ltd	AA-/Stable (Reaffirmed)	A1+/ (Reaffirmed)
ICRA Ltd	[ICRA]AA-(Stable) (Reaffirmed)	[ICRA]A1+ (Reaffirmed)

s) Shareholders & Investors Correspondence:

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

Link Intime India Private Limited,

C 101, 247 Park, L B S Marg,

Vikhroli West, Mumbai 400 083

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

Contact Person: Mr. Prathamesh Ghugare. Email: rnt.helpdesk@linkintime.co.in

20. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Company's Auditors Deloitte Haskins & Sells, Statutory Auditors of the Company, confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of SEBI Listing Regulations, is attached to this Report.

CEO declaration for compliance of the Company's Code of Conduct:

I hereby affirm that all the Board Members and Senior Management Executives of the Company have affirmed compliance with the Code of Conduct & Ethics Policy of GMM Pfaudler Limited as applicable to them for the year ended March 31, 2023.

Aseem Joshi

Chief Executive Officer

Place: Mumbai

Date : April 25, 2023

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

We, Aseem Joshi, Chief Executive Officer and Manish Poddar, Chief Financial Officer certify to the Board that:

- We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- 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.
- We have indicated to the auditors and the Audit Committee, the following, if any:
 - significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 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 Ltd.

Aseem Joshi

Chief Executive Officer

PAN: ABDPJ4360Q

Manish Poddar

Chief Financial Officer

PAN: AAGPP6584J

Place: Mumbai

Date: May 25, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V - Para C - Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
GMM Pfaudler Limited
Vithal Udyognagar,
Karamsad, Gujarat - 388325, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GMM Pfaudler Limited (CIN: L29199GJ1962PLC001171), having its registered office situated at Vithal Udyognagar, Karamsad - 388 325, (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V - Para C - Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status on the portal of the Ministry of Corporate Affairs i.e. www.mca.gov.in) and as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2023, have been debarred or disqualified by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority, from being appointed or continuing as Director of the Company.

Sr. No.	Name of the Director	DIN	Date of Appointment
1.	Mr. Ashok Jethabhai Patel	00165858	01/01/1988
2.	Mr. Tarak Ashok Patel	00166183	30/01/2007
3.	Mr. Prakash Krishnaji Apte	00196106	25/05/2022
4.	Mr. Nakul Toshniwal	00350112	16/05/2018
5.	Mr. Harsh Gupta	02434051	01/04/2020
6.	Mrs. Bhawana Mishra	06741655	01/04/2020
7.	Mr. Vivek Bhatia	08166667	01/04/2020
8.	Mr. Malte URS Peter Woweries	09164705	28/05/2021
9.	Dr. Sivaram Swaminathan*	00009900	26/06/2003

*upto September 19, 2022

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Rathi & Associates**
Company Secretaries

Jayesh Shah

Partner

M. No. FCS 5637

COP. No. 2535

UDIN: F005637E000329631

Peer Review Cer No: 668/2020

Place: Mumbai
Date: May 18, 2023

TO THE MEMBERS OF
GMM PFAUDLER LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This Certificate is issued in accordance with the terms of our engagement letter dated September 20, 2022.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of GMM Pfaudler Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2023, 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, 2023.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Hardik Sutaria

(Partner)

(Membership No. 116642)

UDIN: 23116642BGWGAT4125

Place: Mumbai
Date: May 25, 2023

Business Responsibility & Sustainability Report

GMM Pfaudler Limited ("GMM Pfaudler" or "the Company") delivers corrosion-resistant technologies, systems, and services worldwide and remains the preferred choice by consistently providing its customers in the chemical and pharmaceutical industries with innovative and cost-effective solutions. We are committed to delivering quality products led by our purpose of creating value for our people, our communities and our planet. Our operational and future growth strategies put responsible Environmental, Social and Governance (ESG) principles at their core to positively impact our stakeholders. As a responsible corporate citizen, the Company is committed to ensuring sustainable development and inclusive growth and believes in the philosophy of giving back to the society, that played an instrumental role in GMM Pfaudler's growth and success by offering uninterrupted support in the organization's endeavors. In keeping with the Company's commitment to responsibility and accountability towards all its stakeholders and its efforts to conduct business with responsibility, the Company is pleased to present its Business Responsibility and Sustainability Report for the FY 2022-23 prepared in accordance with SEBI Circular no. CIR/2021/562 dated May 10, 2021. Certain data points of our previous year's report have been revised in view of updated calculation methodology as per BRSR guidance note. The Company endorses the guiding principles as outlined in the National Guidelines on Responsible Business Conduct (NGBRC) as formulated by the Ministry of Corporate Affairs and is committed towards their adherence.

SECTION A: GENERAL DISCLOSURE

I. DETAILS OF THE LISTED ENTITY

1. Corporate Identity Number (CIN) of the Listed Entity	L29199GJ1962PLC001171
2. Name of the Listed Entity	GMM Pfaudler Limited
3. Year of incorporation	1962
4. Registered office address	Vithal Udyognagar, Anand – Sojitra Road, Karamsad, Gujarat, 388325 India
5. Corporate address	902, Vios Tower, New Cuffe Parade, Sewri-Chembur Road, Mumbai, Maharashtra, 400037 India
6. E-mail	investorservices@gmmpfaudler.com
7. Telephone	+91 22 6650 3900
8. Website	www.gmmpfaudler.com
9. Financial year for which reporting is being done	April 1, 2022 to March 31, 2023
10. Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)
11. Paid-up Capital	INR 8.99 crores
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Ms. Mittal Mehta Designation: Company Secretary Telephone: +91 22 6650 3900 Email: mittal.mehta@gmmpfaudler.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report are made on a Standalone basis.

II. PRODUCT/SERVICES

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1	Manufacturing	Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical products	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of Total Turnover contributed
1	Manufacturing of other Special Purpose Machinery	28299	96.61

III. OPERATIONS

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	No. of Offices	Total
National	3	9	12
International*	-	-	-

*The international operations are carried out by the Company through its subsidiary companies and are outside the reporting boundary of this report.

17. Market served by the entity:

a. No. of Locations:

Locations	Numbers
National (No. of States)	36*
International (No. of Countries)	100+

* This includes 28 States and 8 Union Territories.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of the total turnover of the Company is 16%.

c. A brief on types of customers:

GMM Pfaudler is the leading technologies, systems, and services provider for the chemical and pharmaceutical industries, as well as many others. GMM Pfaudler caters to over 90% of the world's Top 20 ICIS Chemical Companies.

IV. EMPLOYEES

18. Details as on March 31, 2023:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1	Permanent Employees (D)	604	574	95.03%	30	4.97%
2	Other than Permanent Employees (E)	95	88	92.63%	7	7.37%
3	Total Employees (D+E)	699	662	94.71%	37	5.29%

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
WORKERS						
4	Permanent Workers (F)	205	205	100%	-	-
5	Other than Permanent Workers (G)	1927	1920	99.64%	7	0.36%
6	Total Workers (F + G)	2132	2125	99.67%	7	0.33%

b. Differently abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent Employees (D)	2	2	100%	-	-
2	Other than Permanent Employees (E)	-	-	-	-	-
3	Total Differently Abled Employees (D+E)	2	2	100%	-	-
DIFFERENTLY ABLED WORKERS						
4	Permanent Workers (F)	-	-	-	-	-
5	Other than Permanent Workers (G)	3	3	100%	-	-
6	Total Differently Abled Workers (F+G)	3	3	100%	-	-

19. Participation/Inclusion/Representation of women:

S. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	8	1	12.50%
2	Key Management Personnel*	4	1	25%

*This includes MD, CEO, CFO & Company Secretary

20. Turnover rate (in%) for permanent employees and workers (Disclose trends for the past 3 years):

Category	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20.51	30.3	21.07	13.9	16.67	14.08	6.37	5.56	6.31
Permanent Workers	3.05	-	3.05	4.76	-	4.76	2.22	-	2.22

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. (a) Names of holding / subsidiary / associate companies / joint ventures:

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)*	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by Listed entity
1	Mavag AG (Switzerland)	Subsidiary	100
2	Pfudler GmbH (Germany)	Subsidiary	100
3	Pfudler Normag Systems GmbH (Germany)	Subsidiary	100
4	Pfudler interseal GmbH (Germany)	Subsidiary	100
5	Pfudler Service BeNeLux B.V. (Netherlands)	Subsidiary	100
6	Pfudler S.r.l. (Italy)	Subsidiary	100
7	Pfudler France S.à r.l. (France)	Subsidiary	100
8	GMM International S.à.r.l. (Luxembourg)	Subsidiary	100
9	Pfudler Limited (UK)	Subsidiary	100
10	GMM Pfudler US Inc. (USA)	Subsidiary	100
11	Edlon Inc. (USA)	Subsidiary	100
12	Glasteel Parts and Services, Inc. (USA)	Subsidiary	100
13	Pfudler S.A. de C.V. (Mexico)	Subsidiary	100
14	Pfudler Ltda. (Brazil)	Subsidiary	100
15	Pfudler Private Limited (Singapore)	Subsidiary	100
16	Pfudler (Chang Zhou) Process Equip. Co. Ltd. (China)	Subsidiary	100
17	GMM Pfudler Foundation (India)	Subsidiary	100
18	Hydro Air Research Italia S.r.l (Italy)	Subsidiary	100
19	Mixel France SAS (France)	Subsidiary	100
20	Mixel Agitator Co.Ltd. (China)	Subsidiary	100
21	GMM Pfudler JDS LLC (USA)	Subsidiary	51

*Business responsibility initiative disclosed are pertaining to GMM Pfudler Limited on a standalone basis and does not include the information/initiative undertaken, if any by the Companies indicated in column A.

VI. CSR DETAILS

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii) Turnover (in ₹)	1,074.79 crores
(iii) Net worth (in ₹)	707.98 crores

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	(If Yes, then Provide web-link for grievance redress policy)	FY 2022-23		FY 2021-22		Remarks
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	
Communities	Yes	https://www.gmmpfaudler.com/file/CorporateSocialResponsibilityPolicy.pdf The Grievance Redressal Mechanism is as per SEBI Listing Regulations.	0	0	0	0	-
Shareholders/ Investors	Yes	The Company has a designated email ID exclusively for investor services i.e. investorservices@gmmpfaudler.com	12	0	1	0	-
Employees and workers	Yes	https://www.gmmpfaudler.com/file/GMMCOC.pdf	0	0	0	0	-
Customers	Yes	The Company has a designated email ID exclusively for customers i.e. service@gmmpfaudler.com	344	5	334	9	All the pending complaints for FY 2021-2022 are resolved
Other Value Chain Partners	Yes	https://www.gmmpfaudler.com/file/WhistleBlowerPolicy.pdf	1	0	0	0	-

24. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Corporate Governance	Opportunity	Governance structure is a critical component of any organization which strive for excellence. A responsive and inclusive Governance structure helps the organization to be resilient and adapt to unforeseen situations. The oversight of the Governance committees on ESG factors helps an organization to be aligned and driven in right direction of sustainability. GMM Pfaudler's Governance Principles and the charters of the Board's standing committees establish a framework for the governance of the Board and oversight of the Company. Each Committee plays a crucial role in reinforcing our commitment to conduct our business with the highest corporate standards.		Positive
2	Product Quality and Customer Satisfaction	Opportunity	A value for money and high quality product which is supported by seamless pre & post sales service provides an organization with an opportunity to retain satisfied customers who in turn are a source of recurring revenues. We strive to align our business objectives with our vision of becoming the most sought-after provider of top-quality engineered products and services to our clients. Our pursuit of ethical and transparent business practices is aimed at building trust among our stakeholders, strengthening our brand image, and boosting customer satisfaction.		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Product Stewardship	Opportunity	Reducing the product's environmental and social impact throughout its production process without sacrificing quality can lessen the organization's overall environmental impact and increase sales. GMM Pfaudler continues to develop new products, monitor the functionality of machinery on the job site, and enhance design and feature sets for increased dependability, safety, minimal environmental impact, and user-friendliness.		Positive
4	Responsible Supply Chain	Risk	A sustainable supply chain is one that ensures socially responsible business practices. Our inability to identify and collaborate strategically with suppliers / partners who provide key products and services can lead to contractual, legal and business-continuity risks.	Suppliers details are scrutinized through various screening tools and checklists to assess social risks. GMM Pfaudler's supplier's Code of Conduct expects its supply chain partners to completely abide by all applicable laws and standards for corporate governance, social responsibility, and the environment.	Negative
5	Occupational health and safety	Risk	Our people's capabilities, competence and commitment are the force behind our continued business success and the stakeholder trust we enjoy. Providing a safe and healthy workplace environment for our workers is critical to the success of our operations.	Our focus is to create a workplace free of injuries, fatalities and illness by leveraging technology and through trainings, appropriate personal protective equipment, incident tracking and reporting. All of GMM Pfaudler's manufacturing facilities adhere to ISO 45001 standards, have a comprehensive Emergency Response Plan and have strict health & safety in place. We monitor continuous progress through our behaviour based safety programs in all our plants.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Climate Change	Risk	Extreme weather events due to climate change pose a physical risk of disruption to the Company's operations, and the safety & wellbeing of its employees.	An environmentally sustainable approach is adopted by creating green policies, processes, frameworks and infrastructure -Focusing on energy conservation and use of renewable energy to reduce carbon footprint, adoption of newer technologies and methods to manage waste in line with circular economy principles - Operational and engineering controls to minimize freshwater consumption, Water management through sewage treatment, recycling of treated water and rainwater harvesting. - Waste management through recycling, reusing, reducing waste generation. -Supply Chain sustainability through responsible sourcing.	Negative
7	Community Development	Opportunity	The business must be rooted in community and be aligned with the community's larger interests. Any adversarial relationship can hurt the Company's ability to create longer term value. GMM Pfaudler has a tripartite approach for community outreach. 1. Healthcare: Fostering local communities by developing preventive Healthcare programs & supporting hospitals. 2. Education: Enhancing vocational skills & improving quality of education by partnering & providing necessary resources to ITIs. 3. Environment: Support projects aimed at protecting flora & fauna, conservation of natural resource & reducing ecological imbalance.		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Energy and Emissions Management	Opportunity	<p>Energy is crucial for economic growth and life prosperity. Availability and reliability of energy has always been a concern not only for an organization but also for the world at large.</p> <p>All production facilities adhere to ISO 50001 standards. The Company has a renewable energy portfolio of 2.8 MW (Wind + Solar). The renewable energy generated contributes to 7% of total electricity needs and helps organization in avoiding 1456 tCO₂e in FY 2022-23.</p> <p>Additionally, our Company regularly implements a variety of energy-saving strategies to cut down on energy use and emissions footprints.</p>		Positive
9	Water and Wastewater Management	Risk & Opportunity	<p>Being a limited resource, water needs to be planned for, distributed, and managed in a way that makes the best use of it. Water availability and utilization have an effect on the environment and society.</p>	<p>The operations regions of GMM Pfaudler Both completely adhere to the pollution control board's guidelines and are not located in water stress zones. The manufacturing plants treat and recycle the wastewater produced during the production process, minimizing the impact on freshwater requirements for domestic and agricultural use.</p>	Both
10	Waste Management	Risk & Opportunity	<p>In order to save resources, waste should be minimized and reused. Recycled materials should be used whenever possible. Waste must be separated, collected, and disposed of by using effective procedures. Waste management regulations are essential because they would assure correct reuse, recycling, and disposal in light of the expanding landfills and dumpsites that further harm air, soil, and water.</p>	<p>GMM Pfaudler implemented strategies Both to minimize waste production and waste generation at every level of the manufacturing cycle. To ensure compliance with all legal requirements and no negative effects on the environment, the trash created is delivered to Transport, Storage and Disposal Facility (TSDF) for disposal. Additionally, we forbid the use of single-use, nonbiodegradable plastics on our property.</p>	Both

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Ethics and Compliance	Risk	<p>It is a responsibility of an organization to adhere to the highest standard of integrity and ethics while operating the business.</p> <p>Also non-compliances and penalties may result in a direct impact on the operations of the Company and cause financial stress.</p>	<p>GMM Pfaudler firmly upholds its commitment to ethical conduct and compliance excellence. With a robust Code of Conduct, the Company instills core values of integrity, transparency, and respect among its employees at all levels. The Code serves as a comprehensive framework, emphasizing adherence to laws, prevention of conflicts of interest, and the promotion of a safe and inclusive workplace. Backed by a well-governed compliance structure, GMM Pfaudler's diligent governance and oversight ensure that its compliance framework and controls remain effective and adaptable to evolving regulations and open risks. Regular training programs and open communication channels further foster a culture of compliance, empowering employees to uphold the highest ethical standards and report concerns confidentially.</p>	Negative
12	R&D and Innovation	Opportunity	<p>To create better products with increased efficiencies and lower environmental impact, R&D and innovation are essential.</p> <p>The primary goal of GMM Pfaudler's dedicated R&D team is to create products with increased efficiencies, reduce environmental footprint through sustainable practices to create a long-term positive impact on our environment commitments and business partners.</p>		Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Policy and Management Processes										
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)					Yes					
b. Has the policy been approved by the Board? (Yes/No)					Yes					
c. Web Link of the Policies, if available					https://www.gmmpfaudler.com/investors/policies-programmes					
2. Whether the entity has translated the policy into procedures. (Yes / No)					Yes					
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes,	Whistle Blower Policy extends to value chain partners.								
4. Name of the national and international codes/certifications/labels/ standards NVGs. (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Board approved policies and codes of conduct cover the NVGs. All applicable national and international regulations are captured in the policies articulated by GMM Pfaudler. In addition, they reflect the purpose and intent of the international standards such as GRI, UNSDG, ISO 9001, ISO 14001 and ISO 45001.									
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Board of Directors in their meeting held on May 25, 2022 have approved the 3 Year ESG Strategy and Roadmap for the Company as stated in the ESG section of this Annual Report.									
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	The performance against the set targets undertaken for ESG has been published in the ESG Report forming part of this Annual Report.									
Governance, Leadership and Oversight										
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	ESG will be the corner stone of GMM Pfaudler's long term strategy with a commitment to create value for our people, our communities and our planet. For us, ESG is more than ticking the boxes, it's about making a difference. Our mission and values guide our purpose and help us to focus on what is important, as the leading global supplier of corrosion-resistant technologies we are committed to our people, our communities and our planet. Our Board of Directors adopted 3 Year ESG Strategy and Roadmap for the Company. ESG related targets and achievements are part of the ESG Section of this Annual Report.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Aseem Joshi Designation: Chief Executive Officer Telephone number: 022 6650 3900 E-mail id: aseem.joshi@gmmpfaudler.com									
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Name: Mr. Tarak Patel Designation: Managing Director Telephone number: 022 6650 3900 E-mail id: tarak.patel@gmmpfaudler.com									

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee																	
	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)																	
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action						Yes												Annual /Need Basis
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances						Yes												Quarterly/ Need Basis
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
																		On a regular basis, the Board of Directors and management reviews the adherence to the stated policies in the Company.
12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: The entity does not consider the Principles material to its business (Yes/No) The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) The entity does not have the financial or/human and technical resources available for the task (Yes/No) It is planned to be done in the next financial year (Yes/No) Any other reason (please specify)																		Not Applicable

Note 1:

Principle(s)	Applicable Policies	Link for policies
Principle 1: Businesses should conduct and govern themselves with Integrity, and in a manner that is Ethical, Transparent and Accountable	<ul style="list-style-type: none"> Code of Conduct & Ethics Policy Board Diversity Policy Anti-Corruption Policy Policy on Related Party Transactions Antitrust Guidelines Whistle Blower Policy Policy on Determination of Material Events Code of practices and Procedures for Fair Disclosure of UPSI 	https://www.gmmpfaudler.com/investors/policies-programmes
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe	<ul style="list-style-type: none"> Export Compliance Guideline Environment, Social and Governance Policy Suppliers Code of Conduct 	
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains	<ul style="list-style-type: none"> Anti-Sexual Harassment Policy Code of Conduct & Ethics Policy Internal HR Policies for Employees Nomination, Remuneration & Evaluation Policy 	
Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders	<ul style="list-style-type: none"> Corporate Social Responsibility Policy Code of practices and Procedures for Fair Disclosure of UPSI Anti-Corruption Policy 	
Principle 5: Businesses should respect and promote human rights	<ul style="list-style-type: none"> Code of Conduct & Ethics Policy Anti-Sexual Harassment Policy Whistle Blower Policy 	

Principle(s)	Applicable Policies	Link for policies
Principle 6: Businesses should respect and make efforts to protect and restore the environment	<ul style="list-style-type: none"> Environment, Social and Governance Policy Suppliers Code of Conduct 	https://www.gmmpfaudler.com/investors/policies-programmes
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	<ul style="list-style-type: none"> Code of Conduct & Ethics Policy Communication Policy 	
Principle 8: Businesses should promote inclusive growth and equitable development	<ul style="list-style-type: none"> Corporate Social Responsibility Policy Environment, Social and Governance Policy 	
Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	<ul style="list-style-type: none"> Code of Conduct & Ethics Policy Export Compliance Guideline Information Security Policy 	

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and Awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	7 (Including 6 as part of board Meetings)	Outlook on industry practices, governance and compliance, sustainability initiatives, risk management	100%
Key Managerial Personnel	15	Regulatory changes, Code of Conduct, ESG matters, POSH	100%
Employees other than BoD and KMPs	42	Code of Conduct, ESG, POSH, good mix of functional and behavioral trainings	90+ of intended target audience
Workers	Regular basis	Health & Safety and skill upgradation	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:

During the financial year 2022-23, there were no instances of any material (monetary and non monetary) fines/penalties/punishment/award/ compounding fees/settlement amount paid in proceedings (by the entity or by Directors/ KMPs) levied by the regulators/law enforcement agencies/ judicial institutions.

Note: Materiality threshold as specified in Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been applied for the purpose of this disclosure.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

Yes, the entity has an Anti-Corruption Policy. The policy is available on the Company's website at <https://www.gmmpfaudler.com/index.php/file/Anti-Corruption-Policy.pdf>. GMM Pfaudler's Anti-Corruption policy emphasizes on the Company's zero tolerance approach to bribery and corruption. GMM Pfaudler is committed to conduct all its business activities with honesty, integrity and the highest possible ethical standards and vigorously enforces its ethical business practices wherever it operates throughout the world, of discouraging and not engaging in any kind of bribery, corruption, or unethical practice.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

There were no instances of any disciplinary action taken by any law enforcement agency for the charges of bribery/ corruption against Directors/ KMPs/employees/workers.

6. Details of complaints with regard to conflict of interest:

There were no complaints with regards to conflict of interest.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:

Not Applicable

LEADERSHIP INDICATORS

1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same:

Yes, the Company has Code of Conduct for Board of Directors and Senior Management Personnel which provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. The Company receives an annual declaration from its Board of Directors and Senior Management Personnel on the entities they are interested in, and ensures requisite approvals as required under the applicable laws are taken prior to entering into transactions with such entities. The policy is available on the Company's website at <https://www.gmmpfaudler.com/index.php/file/GMMCOC.pdf>

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe:

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	100% (2.44 crores)	100% (4.28 crores)	The Company invests in R&D and Capex which prioritizes primarily towards product enhancement, operationalizing test centers, and fostering in-house Product Innovation to develop energy efficient products.
Capex	100% (2.26 crores)	-	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/ No)

Yes, the Company has a Supplier's Code of Conduct in place that mandates suppliers to utilize natural resources, in a sustainable manner. Suppliers must minimize or eliminate negative environmental and climate impacts that arise from their operations. Suppliers are also encouraged to participate in creation and adoption of eco-friendly products, processes, and technologies.

The Company also gets confirmation and acceptance on the Code from all its major suppliers. In order to ensure compliance with sustainable procurement principles, GMM Pfaudler performs a Supplier Sustainability Risk Rating and Supplier Self-Assessment for environmental and social criteria. This process ensures that suppliers are assessed on their ability to adhere to sustainable practices and that their environmental and social impacts are evaluated. By doing so, GMM Pfaudler can work with its suppliers to mitigate any potential risks and enhance the sustainability of its supply chain.

The policy also supports the creation of local vendors and encourage local sourcing. The Company focuses on procurement of materials from local suppliers and MSME players. It has implemented various sustainable supply chain practices and initiatives and at the same time ensures timely and cost effective deliveries for necessary resources.

b. If yes, what percentage of inputs were sourced sustainably?

GMM Pfaudler conducts regular assessments of key suppliers, evaluating them through Sustainability Risk Rating and Supplier Self-Assessment processes. Basis this assessments, more than 50% of the raw material procurement by value are sourced sustainability.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.	Given the nature of our business, the products we manufacture has a life of 10-15 years. Once this period is over, customers can choose to hand over any metal and glass scraps to authorized recyclers. From a larger standpoint, any end-of-life waste that is generated from our products can be recycled and repurposed as raw materials for other processes or products.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No):	NA
If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same:	-

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	Number (F)	%(F /A)
Permanent Employees											
Male	574	574	100%	574	100%	-	-	574	100%	574	100%
Female	30	30	100%	30	100%	30	100%	-	-	30	100%
Total	604	604	100%	604	100%	30	4.97%	574	95.03%	604	100%
Other than Permanent Employees											
Male	88	-	-	88	100%	-	-	-	-	88	100%
Female	7	-	-	7	100%	7	100%	-	-	7	100%
Total	95	-	-	95	100%	7	7.37%	-	-	95	100%

Note: Vendors and contractors are required to adhere to the statutory compliances as per applicable laws and rules thereunder.

b. Details of measures for the well-being of workers:

Category	Total (A)	% of Worker Covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	Number (F)	%(F /A)
Permanent workers											
Male	205	205	100%	205	100%	-	-	205	100%	205	100%
Female	0	-	-	-	-	-	-	-	-	-	-
Total	205	205	100%	205	100%	-	-	205	100%	205	100%
Other than Permanent workers											
Male	1920	-	-	1920	100%	-	-	-	-	1920	100%
Female	7	-	-	7	100%	7	100%	-	-	-	-
Total	1927	-	-	1927	100%	7	0.36%	-	-	1920	99.64%

2. Details of retirement benefits, for Current FY and Previous Financial Year:

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	0.20%	-	Y	0.71%	9.52%	Y

Note: 100% of eligible employees are covered to avail the retirement benefits like PF, Gratuity, ESI etc.

3. Accessibility of workplaces. Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

Yes, majority of GMM Pfaudler's workplace premises are designed to be accessible to differently abled employees and workers. The infrastructure at the gates and office entrances are equipped with even surfaces, such as ramps, to ensure easy accessibility for disabled employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy:

Yes, GMM Pfaudler's Code of Conduct & Ethics Policy mandates all Directors and employees to cultivate a work environment that is free from any sort of discrimination based on factors such as color, race, creed, national or ethnic origin, gender, sexual orientation, religion, marital status, veteran status, citizenship status, physical or mental disability, age, or any other status protected by relevant laws.

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	-	-	-
Female	100%	-	-	-
Total	100%	-	-	-

Notes:

- FY 2022-23 Permanent Employee Retention rate cannot be calculated as 12 months have not been completed after taking the leave.
- No worker took parental leave in FY 2022-23.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the working group's grievance redressal mechanism adheres to the guidelines outlined in the Factories Act. In this process, workers can raise their concerns to the welfare officer who is responsible for directing the grievances to the relevant management teams for resolution. Once a solution is determined, the concerned parties are informed accordingly.
Other than Permanent Workers	

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Yes, at GMM Pfaudler, employees are encouraged to seek guidance and report any concerns they may have with their direct manager or supervisor, the Human Resources Manager or the Compliance Officer. The Company has a "Whistle Blower Policy" for employees to report instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Company has "zero tolerance" to any form of Sexual Harassment at the Workplace. The Company responds promptly to any complaints of Sexual Harassment and take appropriate steps to discipline behaviour that violates its "Anti-Sexual Harassment Policy". The Company has set up an Internal Committee to redress any such complaints received. The Company periodically conducts sessions and workshops for employees across the organization to build awareness about this Policy.
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees						
Male	574	97	16.90%	518	88	16.99%
Female	30	2	6.67%	36	2	5.56%
Total Permanent Workers						
Male	205	159	77.56%	189	144	76.19%
Female	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	FY 2022-23 (Current Financial Year)				FY 2021-22 (Previous Financial Year)			
	Total (A)	On Health and safety measures		On Skill upgradation	Total (D)	On Health and safety measures		On Skill upgradation
	No. (B)	% (B/A)	No. (C)	% (C/A)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees								
Male	574	509	88.68%	574	100%	518	440	84.94%
Female	30	22	73.33%	21	70%	36	10	27.78%
Total	604	531	87.91%	595	98.50%	554	450	81.23%
Workers*								
Male	205	205	100%	-	-	189	189	100%
Female	-	-	-	-	-	-	-	-
Total	205	205	100%	-	-	189	189	100%

*Trainings on skill upgradation includes both soft skill and functional skills. Such trainings are imparted by individual functions basis the need for their own department and are not specifically tracked.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	574	422	73.52%	518	346	66.80%
Female	30	25	83.33%	36	30	83.33%
Total	604	447	74.01%	554	376	67.87%
Workers						
Male	205	49	23.90%	189	29	15.34%
Female	-	-	-	-	-	-
Total	205	49	23.90%	189	29	15.34%

10. Health and safety management system:

- Whether an occupational health and safety management system is implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, GMM Pfaudler places significant importance on the safety and well-being of its employees and other relevant stakeholders. As evidence of this commitment, our HSEMS in all three plants have been certified to meet the ISO 45001:2018 standard.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

At GMM Pfaudler, the processes used to identify work-related hazards and assess risks on a routine and non-routine basis are

 - Hazard Identification and Risk Assessment (HIRA): This involves analyzing the workplace and work activities to identify any hazards that could cause harm to employees, visitors, or the environment. Once hazards are identified, the risk associated with each hazard is assessed to determine the likelihood and potential consequences of an incident occurring. Post which corrective actions are planned and implemented.
 - Health and Safety Inspections: It involves a comprehensive review of the organization's policies, procedures, and practices related to health, safety, and environmental management. The objective of an HSE inspection and audit is to identify areas where improvements can be made to minimize the risk of incidents or accidents. It is also used to ensure that the organization is in compliance with relevant regulatory requirements and industry best practices. The findings of an HSE inspection and audit are used to develop corrective action plans to address any deficiencies identified.
- Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, GMM Pfaudler has adopted an online based App & Web Portal where all level of employees can report work related hazards. All the work hazards reported are monitored and actioned upon by the Factory Heads along with the HSE Managers.
- Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all our of employees are covered under Health & Accidental Insurance which can be used for any non-occupational medical & healthcare service.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
		(Current Financial Year)	(Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	1
	Workers	8	11
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

As an organization, we recognize that the health and safety of our employees is essential to our long-term success and sustainability. We are committed to providing a safe and healthy working environment that fosters employee well-being and productivity. Occupational health and safety (OHS) is a top priority for us, and we continuously strive to identify and manage workplace hazards, provide appropriate safety equipment and training, and establish protocols for responding to accidents or emergencies. Our approach to OHS is not only a legal and ethical obligation but also a crucial aspect of our corporate responsibility and commitment to ESG principles.

The Company's health and safety management system is based on ISO 45001 - the International Standard for Occupational Health and Safety. Company encourages and works on building Behaviour Based Safety Management to encourage adherence to safe behaviour and promote safety culture. All employees and workers are trained on safety aspects which includes First - aid, Fire - fighting, Onsite Emergency Plan, Work permit system, HIRA, etc.

There is a well-defined checklist basis which periodic safety inspections are carried out and actions are taken in a time bound manner. Regular inspections and maintenance are done by competent persons for various critical equipment, with necessary permits wherever needed, ensuring lockout tagout system (LOTO) is implemented.

During the reporting year GMM Pfaudler carried following activities at its manufacturing locations to ensure safe and healthy workplace culture

1. ISO 45001 recertification for one facility and certification for other two facilities.
2. Behavior Based Safety Training Session conducted for all level of employees & workers.
3. Implemented Contractor Safety Management.
4. Safety Audit as per IS 14489 for one facility.
5. Construction of Dedicated Scrap Yard.
6. Project Utkarsh and Project Spurthi implemented which included One- Point Lesson, Safety Rounds, PPE awareness, & LOTO system incorporation.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Filed during the year	Pending resolution at the end of year		Filed during the year	Pending resolution at the end of year	
Working Conditions	94	25	Proactively Identified by safety committee & plant team, resolution of pending points are ongoing and will be closed in due time			
Health & Safety	20	3			Nil	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions:

No significant risks / concerns of health & safety practices and working conditions has been identified from the assessments hence no corrective action is required.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of:

(A) Employees (Y/N)	Yes
(B) Workers (Y/N)	

2. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

None

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

At our Company, we take pride in maintaining a strong and transparent relationship with our investors by having a deep understanding of their expectations and fulfilling them consistently. Our commitment to client value is an integral part of our corporate philosophy which reflects our dedication to our clients. We believe that our employees are vital in creating value for our clients and the organization, and we strive to provide them with fulfilling careers. Suppliers are our key stakeholders who enable us to deliver business value. We respect the law of the land and abide by the GMM Pfaudler's Code of Conduct and Ethics Policy, making governments and regulators important stakeholders. Our business practices are centered around inclusive growth, and we ensure that the community is at the forefront of our sustainable practices.

Our stakeholders are our investors, employees, shareholders, customers, communities, non-governmental organizations and suppliers amongst others.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether Identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	One-to-one interactions and meetings for projects, relationship meetings, Customer satisfaction surveys, Helpline numbers and grievance recording mechanism; customer visits, responses to Request for Information (RFI) / Request for Proposal (RFP), sponsored events, mailers, newsletters, brochures, website, social media, events and exhibitions	Continuous: GMM Pfaudler's website, social media, sponsored events, mailers, newsletters, brochures Half-yearly: Relationship meetings, Customer satisfaction surveys, customer visits Annual: Events and Exhibitions	<ul style="list-style-type: none"> Product Stewardship Product quality and safety Customer data privacy New Products Feedback
Employees	No	Induction programs, E-mails, newsletters Employee portal, HR helpdesk, Engagement initiatives and Townhalls, Rewards & Recognition programs and satisfactions survey, Webinars and awareness sessions Quarterly: GMM Pfaudler's Newsletter Annual: Townhalls	Continuous: Website, Employee portal, HR helpdesk, Rewards & Recognition programs and satisfactions survey, Webinars and awareness sessions Quarterly: GMM Pfaudler's Newsletter Annual: Townhalls	<ul style="list-style-type: none"> Performance appraisal and rewards Learning and development programmes Transparency in business Compliance with safety norms Focus on ESG aspects Diversity & Inclusion Code of Conduct & Human Rights Career Management and Growth Prospects
Investors & Shareholders	No	Website, newspapers, press releases, emails, quarterly conference call, analyst & investor Meeting, general meeting, social media, manufacturing facility visits	Continuous: Investors page on the GMM Pfaudler's website, social media Quarterly: Financial statements earnings call, press conferences, investor calls Annual: Annual General Meeting, Annual Report	<ul style="list-style-type: none"> Financial and non-financial performance Robust strategy for business growth Long-term business value Ethical Behavior and Fair Business Practices Understanding shareholders expectations
Suppliers	No	Site visits and inspection, meetings/calls, Vendor capability assessment, Vendor performance assessment	Quarterly: Meetings/calls Half-yearly: Assessments, Site visits and inspections	<ul style="list-style-type: none"> Responsible Sourcing On time performance Ethical behavior/Fair business practices Sustainability
Community	Yes	CSR events and programs (Now through GMM Pfaudler Foundation)	Quarterly: Project Progress Annual: Review	<ul style="list-style-type: none"> Progress on CSR projects Need Assessments Impact Assessments
Industry bodies, Regulators	No	Email, one-on-one meetings, Conference meetings Periodic Fillings	Need-based	Discussions with regard to various regulations and amendments, inspections, approvals

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board:

Stakeholder engagement is a crucial process that contributes to growth ambitions. The Board has approved the Company's 3-year Strategy and Roadmap. The ESG Steering Committee executes the roadmap in line with the Company's ESG vision and sets sustainability-related goals, provides specific guidance and operational insights to the ESG working groups, reviews public disclosures, interacts with stakeholders to understand their concerns. The ESG Steering Committee is headed by the Chief Executive Officer. Periodic Board reviews are held at least once a quarter, during which the Board holds extensive discussions with the Chief Executive Officer on sustainability progress and stakeholders concerns. This Committee acts as the medium through which the stakeholders of the organization interact with the Board.

The Company's comprehensive reporting approach demonstrates an unwavering dedication to provide stakeholders a transparent and holistic view of the Company's performance and progress toward achieving ESG commitments.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity:

Yes, the Company in consultation with the stakeholders has identified material environmental and social topics. Material topics were shortlisted and prioritised based on their impact on the stakeholders and the business. The details on the same have been provided in the Materiality Assessment section of the ESG report.

The initiatives undertaken by the Company under the thrust areas of Corporate Social Responsibility initiatives are undertaken after assessing the need of the communities including the vulnerable/marginalised stakeholder groups and other members of the community.

PRINCIPLE 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / Workers covered (B)	% (B / A)	Total (C)	No. of employees / Workers covered (D)	% (D / C)
Employees						
Permanent	604	604	100%	554	416	75.09%
Other than permanent	95	95	100%	75	10	13.33%
Total Employees	699	699	100%	629	426	67.73%
Workers*						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
Total Employees	-	-	-	-	-	-

*The trainings on human rights and other policies are a part of the Code of Conduct & Ethics Policy (COC) and other various awareness programmes. The Company has deployed an e-module on COC for training of the employees. Several discussions are held with all employees and workers to create awareness around human rights and the Company's COC. In addition to HR led sessions and e-module on COC, all employees and workers (including new joiners) are trained/made aware of the COC by their functional team leads. Such sessions are currently not tracked. This information will be available from FY 2023-24 onwards. Further, the COC is available for reference on the Company's website and on the Company's intranet portal. They are expected to read and understand this Code, uphold these standards in day-to-day activities, and

comply with all applicable laws, rules and regulations and all applicable policies and procedures adopted by the Company. Trainings imparted to workers are not specifically tracked.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 (Current Financial Year)				FY 2021-22 (Previous Financial Year)					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (C)	% (F / D)
Permanent Employees										
Male	574	-	-	574	100%	518	-	-	518	100%
Female	30	-	-	30	100%	36	-	-	36	100%
Other than Permanent Employees										
Male	88	-	-	88	100%	70	-	-	70	100%
Female	7	-	-	7	100%	5	-	-	5	100%
Permanent Workers										
Male	205	-	-	205	100%	189	-	-	189	100%
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent Workers										
Male	1920	550	28.65%	1370	71.35%	1803	1150	63.78	653	36.22%
Female	7	-	-	7	100%	2	-	-	2	100%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ Salary/ wages of respective category (in Crores)	Number	Median remuneration/ Salary/ wages of respective category (in Crores)
BOD -Executive Directors	1	9.86	0	-
BOD-Non- Executive Directors	7	0.12	1	0.10
Key Managerial Personnel*	2	2.14	1	0.43
Employees other than BoD and KMP	571	0.07	29	0.09
Workers	205	0.04	-	-

*KMP excludes Managing Director

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Company has designated the Company Secretary and Human Resource Head as Compliance Officers to enforce the principles outlined in the GMM Pfaunder's Code of Conduct & Ethics Policy, which includes the protection of human rights.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues:

As part of its commitment to upholding human rights and continuous improvement, the Company has established mechanisms for receiving and addressing complaints and feedback related to human rights violations. These mechanisms include a Whistle Blower Policy that empowers Directors and employees to report any instances of unethical behavior, fraud, or violations of the Company's Code of Conduct & Ethics Policy.

6. Number of Complaints on the following made by employees and workers:

There were no complaints made by employees during current and previous financial years on sexual harassment, discrimination at workplace, child labour, forced labour, wages and other human rights related issues.

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

Our Company values prohibit retaliation in any form. Employees can report any suspected violation of the law, the Code of Conduct, or other Company policies without fear of retribution or retaliation. The Company strictly prohibits any threats or retaliation against individuals who report violations in good faith or assist in any related investigations. Our resolution process adheres to the principles of natural justice, confidentiality, sensitivity, non-retaliation, and fairness. We handle all concerns with sensitivity and aim to provide timely action and closure. Our detailed investigation process ensures fairness for all involved and provides an opportunity for all parties to present relevant facts and evidence.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, The Code of Conduct & Ethics Policy of GMM Pfaunder affirms its commitment to the protection of human rights and the dignity of all individuals and expects all employees of the Company to uphold these principles. This obligation extends to all interactions with business partners, including the negotiation and execution of agreements and contracts.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	100%
Discrimination at workplace	
Wages	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above:

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A) (GJ)	97,405.60	84,401.88
Total fuel consumption (B) (GJ)	1,45,307.75	1,58,205.77
Energy consumption through other sources (C) (GJ)	-	-
Total energy consumption (A+B+C) (GJ)	2,42,713.34	2,42,607.66
Energy intensity per rupee of turnover (Total energy consumption/ turnover in INR Crore)	225.78	297.74
Energy intensity (optional) – the relevant metric may be selected by the entity		-
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? No		

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:

Not applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	25,685	14,735
(iii) Third party water	18,745.806	15,811
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	44,430.806	30,546
Total volume of water consumption (in kilolitres)	39,240.806	26,566
Water intensity per rupee of turnover (Water consumed / turnover in INR Crore)	36.5	32.60
Water intensity (optional) – the relevant metric may be selected by the entity		
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? No.		

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

Our operations generate wastewater as part of the manufacturing processes and we have structured policies and measures to responsibly treat and recycle wastewater for reuse. We require significant amount of water during the hydrotesting process, which is essential to check the quality of our products. This water is stored in large tanks and reused during multiple testing cycles.

Further, wastewater generated on site is treated in the in-house sewage treatment plants or sent to Common Effluent Treatment Plant (CETP) and the recycled water is used for gardening purposes.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	Kg	242	258
SOx	Kg	423	459
Particulate matter (PM)	Kg	2,556	2,841
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? No.			

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	8517.82	8,933.03
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	20,460.13	16,442.11
Total Scope 1 and Scope 2 emissions per crore rupee of turnover		26.96	31.14
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? No.			

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details:

GMM Pfaudler strives to decrease its carbon footprint by continuously working towards reducing electricity consumption and emissions through the adoption of clean technology, enhancing energy efficiency, and promoting renewable energy.

Few of the projects associated with Reducing Green House Gas Emissions are:

- 1MW Roof Top Solar Plant at Karamsad Manufacturing Unit generated 1285231.2 kWh during the FY 2022-23 & helped avoid 1041.03 tCO₂e.
- Windmills with a total generating capacity of 1.8 MW generated 5,12,453 kWh during the FY 2022-23 & helped avoid 415.09 tCO₂e.
- Glass Coat reduced by 0.32 Coat leading to saving of 25,32,467 kWh and 2051 tCO₂e annually.
- Revamping furnaces at Karamsad Unit: 2 such furnaces were identified for revamping, one such furnace revamping activity got completed in the month of January 2023 where on an average 9% units were saved on MoM basis- this will help save 14,000 kWh and 11.34 tCO₂e annually.
- Power Saving in Air Compressor consumption by Scheduling Power ON/OFF at Karamsad Unit helped save 11412 kWh and 9.24 tCO₂e annually.
- Replaced inverter-based welding machines with updated technology machines (10 Nos)- this helped save 32,200 kWh and 26.08 tCO₂e annually.
- Replacing 75 old Air Conditioners with Energy Efficient & Ecofriendly (5 Star Rating & R32) Air Conditioners- this helped save 29,248 kWh and 23.69 tCO₂e annually.
- Power Saving in office lighting/AC consumption by Scheduling Power ON/OFF at All Unit - this helped save 1,16,712 kWh and 95.53 tCO₂e annually.
- Replacement of HPMV lights to Energy Efficient LED Light helped save 92,000 kWh and 74.52 tCO₂e annually.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	1.10	-
E-waste (B)	3.30	-
Bio-medical waste (C)	0.00015	0.00355
Construction and demolition waste (D)	310.43	94
Battery waste (E)	0.0371	1.30
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	13.24	0.29
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	3301.37	2305
Total (A+B + C + D + E + F + G+ H)	3629.48	2400.63
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	3311.19	2306
(ii) Re-used	310.11	94.168
(iii) Other recovery operations	-	-
Total	3621.30	2400.47
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.00015	0.00355
(ii) Landfilling	8.14	-
(iii) Other disposal operations	-	-
Total	8.14015	0.00355
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? No.		

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:

GMM Pfaudler acknowledges the importance of waste management, which has a significant impact on our business, the local communities, and the environment. Our waste management strategy is aimed at minimizing waste generation, maximizing recycling and recovery, and minimizing waste disposal. We have taken several measures to ensure responsible waste management practices across all our facilities, such as waste segregation at the source, waste reuse, waste recycling and the safe disposal of hazardous waste by tie up with authorized agency. Our commitment to waste management aligns with our broader environmental, social, and governance objectives and we are continuously working towards enhancing our waste management practices.

Few of the project associated with Waste Management are:

1. Use of 100% asbestos-free gaskets in product at Karamsad Manufacturing Unit - replaced 13 tons of asbestos material with non-asbestos grade material
2. At Karamsad Plant usage of recyclable stretch film (50 Micron +) for packaging product which will help recycle 8.5MT of Plastic.

3. Implementation of Operational Control Procedure for Hazardous Waste Management at the Vatva Manufacturing Unit
4. Gas/Plasma Cutting Sludge & Welding flux disposed (33 Tonnes) to 100% Recycling Agency at Vatva Manufacturing Unit
5. Creation of a dedicated scrap yard for segregation and storage of waste in Vatva Manufacturing Unit

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the organization is in compliance with all the Environment related laws/regulations/guidelines. During the year, the Emissions/Waste generated by the Company were within the limits prescribed by State Pollution Control Board (SPCB) and certification to that effect are being obtained on a periodical basis as per guidelines of SPCB.

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) (GJ)	6,471.66	9,475.80
Total fuel consumption (B) (GJ)	-	-
Energy consumption through other sources (C) (GJ)	-	-
Total energy consumption (A+B+C) (GJ)	6,471.66	9,475.80
From non renewable sources		
Total electricity consumption (D) (GJ)	90,933.93	74,926.09
Total fuel consumption (E) (GJ)	1,45,307.75	158,205.77
Energy consumption through other sources (F) (GJ)	-	-
Total energy consumed from non renewable sources (D+E+F) (GJ)	2,36,241.67	2,33,131.85
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? No		

2. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link:

The Company has a standardised business continuity plan (BCP) in place which ensures resilient business operations and utmost safety of employees and the Company's assets. The business continuity plans are integrated in our Enterprise Risk Management program and guide our response to disruptions to our operations. This covers various scenarios as a part of risk management processes and provides for risk

mitigation and management in case of uncertainties. GMM Pfaudler's BCP aims to restore operations to Business as Usual at the earliest in case of a business outage.

Overall Emergency Preparedness at GMM Pfaudler across all sites includes:

- Periodic Emergency Response Trainings for Emergency Response Teams (staff) & security team
- Periodic Evacuation & Emergency Simulation Drills
- Robust emergency preparedness checks to ensure readiness at all times
- Liaison with Civil authorities for quick response in case of an emergency
- Yearly assessments
- Annual Maintenance Contracts on Emergency PPE

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations:

The Company is a member of 6 (six) trade and industry chambers/ associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	The Bombay Chamber of Commerce & Industry (BCCI)	State
2	The Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3	The Confederation of Indian Industry (CII)	National
4	Indian Chemical Council (ICC)	National
5	Process Plant & Machinery Association of India (PPMAI)	National
6	Indian American Chamber of Commerce (IACC)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities:

During the reporting period, the Company received no notices for anti-competitive, antitrust, conflict of interest, or monopolistic practices from regulatory authorities hence no corrective action was required to be taken.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

As per law, the entity is not required to conduct any Social Impact Assessments in the current financial year. However the Company has carried out social impact assessment of its CSR projects namely ReefWatch Marine Conservation for Project "Re(ef) Generate" at Andaman Islands and ReefWatch Marine Conservation for Mega-fauna Rescue & Beach Restoration on the Karnataka coast on a voluntary basis. Details of the Impact Assessment is provided in the ESG Section of this Annual Report.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community:

The Company works closely with the community in the identified areas of contribution in the thrust areas for carrying out the Corporate Social Responsibility initiatives. Within the area of work, the employees of the Company work with the communities to understand the impact of the projects on the intended beneficiaries. These interactions provide the people with ample opportunities to gauge and address community concerns. Based on these interactions, we have not encountered any specific grievances from the community at present.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

The nature of Company's business is such that the sourcing must be compulsorily done from supply chain partners with specific technical competencies and makes as specified by customers. However, wherever feasible, economic consideration of low transportation cost ensures procurement of goods and services from local & small producers.

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/small producers	4.50%	4.95%
Sourced directly from within the district and neighbouring districts	34.20%	29.40%

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable.

2. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Education	300+	100%
2	Healthcare	16000+	100%
3	Environment*	800+	-

*In the environment section the Company works on initiatives such urban afforestation, restoration of coral reefs and marine megafauna rescue, where beneficiaries can not be calculated.

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:

GMM Pfaudler treats customer complaints with utmost importance and believes that it should be redressed promptly and effectively. GMM Pfaudler's customers have multiple mechanisms to report complaints or provide feedback. All the grievances received through various channels are registered and a unique complaint number is generated, and an acknowledgement email is sent immediately to the customer with an intimation that their complaint has been taken on record. The complaint is tracked and resolved in a timely manner. The Company has a toll-free number and a dedicated mail id where customers can call and register their complaint. Complaints are assigned to respective Service Managers depending on the category of the complaint. The Company meets globally recognized standards - ISO 9000 (Quality Management). The team works closely with the management and various vertical teams and provides regular feedback on process, policies and people related complaints. This leads to improvements and ensures complaints are reduced.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	100%
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

No consumer complaints were received during current and previous financial years regarding data privacy, advertising, cyber security, delivery of essential services, restrictive trade practices and unfair trade practices.

4. Details of instances of product recalls on account of safety issues:

There were no instances of product recalls on account of safety issues during the financial year 2022-23.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy:

Yes. The Company has in place Cyber Security Policy and Data Privacy Policy to ensure sufficient safeguards are in place to prevent any data leakage. The Company has a well-institutionalised information security management system based on internationally recognised standards and best practices and is continuously improving its cybersecurity posture to safeguard from emerging cyber threats to its business. For further details please refer to the "Internal Control Systems & their Adequacy" in the Management Discussion & Analysis. The policy is available to internal stakeholders and is placed on the intranet of the Company.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services:

Not Applicable

Independent Auditor's Report

To The Members of GMM Pfaudler Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **GMM Pfaudler Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, 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 (SAs) specified under section 143(10) of the Act. 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 matter described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue recognition on contracts with customer</p> <p>The Company generates its revenue from customer specific contracts where performance obligations are satisfied over a period of time. These contracts are accounted based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue is thus dependent on estimates in relation to total estimated costs of each contract.</p> <p>This area is considered as key audit matter due to the size of revenue generated from customer specific contracts. Furthermore, accounting for the contracts involves both judgement, in assessing whether the criteria set out in the in the Ind AS 115 "Revenue from contracts with the customers" have been met, and estimates, related to future costs, the final outcome of the contract and the stage of completion.</p> <p>Contingencies related to cost in the estimates are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> As part of our audit, we obtained an understanding of the methodology applied, the internal processes and the key controls used to determine the estimates, related to future costs, final outcome of the contract and the stage of completion. We evaluated the processes and IT systems used to record actual costs incurred, tested the manual controls and automated controls implemented in the IT systems. As part of our work, we focused on management's judgement in applying the methodology and the estimates made to determine the amount of revenue to be recorded in their project calculations. We obtained and reviewed contract list and calculation and tested the calculation of stage of completion including the cost incurred and recorded against the contract for occurrence and accuracy, assessing the basis for determining the costs to complete and total contract cost on sample basis and re performing the percentage of completion calculation. We challenged management in respect of the reasonableness of estimates made regarding the cost to complete contract and the timing of recognition of orders. <p>We also assessed whether management's policies and processes for making these estimates continue to be appropriate and are applied consistently over time and to contracts of a similar nature.</p>

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 report and Business Responsibility and Sustainability Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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 with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. ,
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to standalone financial statements 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 with reference to standalone financial statements.

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

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

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts and the Company did not have any derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 48 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 48 to the standalone financial statements, no funds have been received by the Company from any person or entities,

including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.

Place: Mumbai
Date: May 25, 2023

As stated in note 46 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

Hardik Sutaria
Partner

(Membership No. 116642)
UDIN: 23116642BGWGAR5736

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 with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **GMM Pfaudler Limited** ("the Company") as of March 31, 2023 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 with reference to standalone financial statements based on the internal control with reference to standalone financial statements 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 with reference to standalone financial statements 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 with reference to standalone financial statements. 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 with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements 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 with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Mumbai

Date: May 25, 2023

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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

Hardik Sutaria

Partner

(Membership No. 116642)

UDIN: 23116642BGWGAR5736

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment, Capital work-in-progress and right-of-use assets, so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment and Capital work-in-progress were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties of land and buildings (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in transit, the goods have been received subsequent to the yearend or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with the books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters ended June 30, 2022, September 30, 2022 and December 31, 2022 and no material discrepancies have been observed. The Company is yet submit the return or statement for the quarter ended March 31, 2023 with the banks.
- (iii) (iii) The Company has made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms,

Limited Liability Partnerships or any other parties during the year, in respect of which:

- (a) (A) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to subsidiaries, Joint ventures and Associates.
- (B) The Company has provided loans to employees during the year and details are given below:

Particulars	Loans
(₹ in crore)	
A. Aggregate amount granted / provided during the year- Others	0.72
B. Balance outstanding as at balance sheet date- Others	0.45

The Company has not provided any advances in the nature of loans, stood guarantee or provided security to any other entity during the year.

- (b) The investments made and the terms and conditions of the grant of the above-mentioned loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts of principal amounts and interest have been regular as per stipulations.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the

year. Hence, reporting under clause (iii)(f) is not applicable.

- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Professional Tax cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of Provident Fund and Employees' State Insurance dues.
- There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employee's State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount Involved (₹ in crore)	Amount Unpaid (₹ in crore)	Period to which the Amount Relates	Forum where Dispute is pending
Income Tax Act, 1961	Income Tax	4.11	4.11	AY 2010-11, 2011-12, 2012-13, 2013-14, 2017-18	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.08	1.08	AY 2007-08, AY 2008-09	The Assessing Officer (AO)
Central Sales Tax Act, 1956	Sales Tax	0.39	0.24	FY 2006-07, 2007-08, 2008-09	Central Excise & Service Tax Tribunal
Finance Act, 1994	Service Tax	0.20	0.09	FY 2008-09, 2009-10, 2012-13	Central Excise & Service Tax Tribunal
Finance Act, 1994	Service Tax	0.11	0.02	FY 2011-12, 2013-14	The Commissioner (Appeals)

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) The Company has made preferential allotment of shares during the year for consideration other than cash. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and till date, for the period under audit.

(xv) The Company has entered into non-cash transactions with its directors and persons connected with them, as disclosed in note 18(d)(2) to the standalone financial statements, after obtaining prior approval of shareholders in the general meeting as given below:

Date of transaction	Particulars of transaction	Name of the person	Relationship	Value of the asset (Rs. in crores)	Date of Member's Approval	Date of holding company's member approval if person is also director of holding company
September 29, 2022	Issue of shares for consideration other than cash against purchase of investment	Millars Concrete Technologies Private Limited	Persons connected with the director	170.40	September 01, 2022	NA

In our opinion provisions of Section 192 of the Companies Act, 2013 have been complied with, with respect to above listed transaction, to the extent applicable.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi) (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Hardik Sutaria
Partner

(Membership No. 116642)

UDIN: 23116642BGWGAR5736

Place: Mumbai
Date: May 25, 2023

Standalone Balance Sheet

as at March 31, 2023

Particulars	Note	As at	
		31.03.2023	31.03.2022
(₹ in Crore)			
ASSETS			
(1) Non-current assets			
(a) Property, plant & equipment	6	170.03	152.33
(b) Right of Use Assets	7	44.02	50.31
(c) Capital work-in-progress	8	6.54	10.42
(d) Goodwill		5.93	5.93
(e) Other Intangible Assets	9	12.17	18.66
(f) Financial Assets			
(i) Investments	10	519.05	171.26
(ii) Others	12	10.24	4.44
(g) Non-current Tax Assets (Net)	13	-	0.42
(h) Other non-current assets	14	1.41	1.19
		769.39	414.96
(2) Current Assets			
(a) Inventories	15	199.14	230.60
(b) Financial Assets			
(i) Investments	10	-	0.08
(ii) Trade Receivables	16	197.43	121.01
(iii) Cash & Cash Equivalents	17	36.25	14.74
(iv) Bank balances other than (iii) above	17	1.92	0.60
(v) Loans	11	0.44	0.12
(vi) Others	12	103.67	52.42
(c) Other current assets	14	14.69	30.06
Assets classified as held for sale	6	-	5.08
		553.54	454.71
Total Assets		1,322.93	869.67
EQUITY & LIABILITIES			
Equity			
(a) Equity Share Capital	18	8.99	2.92
(b) Other Equity	19	698.99	441.70
		707.98	444.62
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	216.40	100.62
(ii) Lease Liabilities	21	0.53	5.23
(b) Deferred tax liabilities (Net)	22	5.85	4.51
		222.78	110.36
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	114.74	27.25
(ii) Lease Liabilities	21	4.97	6.74
(iii) Trade payables due to			
- Micro and Small Enterprises	23	0.67	2.70
- Other than Micro and Small Enterprises	23	153.19	156.13
(iv) Others	24	20.15	18.41
(b) Other current liabilities	25	91.13	96.30
(c) Provisions	26	7.06	7.16
(d) Current tax liabilities (Net)	13	0.26	-
		392.17	314.69
Total Equity & Liabilities		1,322.93	869.67

The accompanying notes are an integral part of these financial statements

As per our report of even date annexed

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

For **Deloitte Haskins & Sells**
Chartered Accountants

Prakash Apte
Chairman
DIN: 00196106
Mumbai, May 25, 2023

Tarak Patel
Managing Director
DIN: 00166183
Mumbai, May 25, 2023

Hardik Sutaria
Partner

Manish Poddar
Chief Financial Officer
FCA 098238
Mumbai, May 25, 2023

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 25, 2023

Mumbai
Date: May 25, 2023

Standalone Statement of Profit & Loss

for the year ended March 31, 2023

Particulars	Note	Year Ended	
		31.03.2023	31.03.2022
(₹ in Crore)			
Income:			
Revenue from operations	27	1,074.79	814.82
Other income	28	23.33	3.76
Total income		1,098.12	818.58
Expenses:			
Cost of materials consumed	29	537.13	402.12
Changes in inventories of finished goods and work in progress	30	(8.83)	(41.11)
Employee benefits expense	31	96.42	86.55
Finance cost	32	27.12	15.00
Depreciation and amortisation expense	6,7&9	36.38	33.57
Labour charges		78.54	58.86
Other expenses	33	200.29	136.57
Total expenses		967.05	691.56
Profit before tax		131.07	127.02
Tax expenses:			
Current tax		31.47	32.65
Excess provision for tax relating to prior years		(0.68)	(0.58)
Deferred tax		1.34	(0.01)
		32.13	32.06
Profit for the year		98.94	94.96
Other comprehensive Income			
(a) Items that will not be reclassified to profit or loss			
(i) Actuarial gain / (loss) on gratuity obligations		0.09	(0.87)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income (i-ii)		0.09	(0.87)
Total comprehensive income for the year		99.03	94.09
Earnings per equity share :	43		
Basic		22.28	21.65
Diluted		22.27	21.65
Basis of preparation, measurement and significant accounting policies	3,4&5		

As per our report of even date annexed

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

For **Deloitte Haskins & Sells**
Chartered Accountants

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Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 25, 2023

Mumbai
Date: May 25, 2023

Standalone Statement of Cash Flow

for the year ended March 31, 2023

Particulars	Note	₹ in Crore	
		Year Ended 31.03.2023	Year Ended 31.03.2022
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		131.07	127.02
Adjustments for:			
Depreciation and amortisation expenses		36.38	33.57
Net (gain) / loss on disposal of property, plant & equipment including asset held for sale		(18.98)	0.02
Net loss on current investments designated as fair value through profit or loss		0.07	0.14
Net gain on sale of current investments		(0.08)	-
Share-based payment to employees		0.99	0.17
Interest income		(0.05)	(0.22)
Interest and financial charges		27.12	15.00
Provision for doubtful debts, liquidated damages and advances		1.73	1.26
Provision for warranty		1.07	(0.30)
Unrealised foreign exchange fluctuation loss		2.17	1.23
Operating profit before working capital changes		181.49	177.89
Adjustments for:			
Decrease / (Increase) in Inventories		31.46	(117.95)
(Increase) in Trade receivable, loans and other financial & non financial assets		(114.42)	(44.42)
(Decrease) / Increase in trade payables, provisions and other financial & non financial liabilities		(9.95)	104.02
Cash generated from operations		88.58	119.54
Direct taxes paid		(30.11)	(37.50)
Net cash generated from operating activities	A	58.47	82.04
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment, including intangible assets		(38.05)	(93.24)
Proceeds from sale of Property, Plant and Equipment including asset held for sale		24.57	0.59
Proceeds from sale of current investments		0.09	0.45
Fixed deposits placed with banks (net)		(4.75)	-
Proceeds from fixed deposits (net)		-	2.59
Interest received		0.05	0.22
Purchase of balance share in subsidiary (including transaction costs)		(177.39)	(0.02)
Net cash used in investing activities	B	(195.48)	(89.41)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from short term borrowings		330.55	69.55
Repayment of short term borrowings		(276.00)	(84.39)
Proceeds from long term borrowings		173.38	61.40
Repayment of long term borrowings		(27.52)	(25.32)
Interest paid		(25.10)	(13.55)
Dividend paid		(8.95)	(7.16)
Payment of lease liabilities		(7.84)	(7.10)
Net cash generated from / (used in) financing activities	C	158.52	(6.57)

Standalone Statement of Cash Flow (contd.)

for the year ended March 31, 2023

Particulars	Note	₹ in Crore	
		Year Ended 31.03.2023	Year Ended 31.03.2022
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	A+B+C	21.51	(13.94)
Cash and cash equivalents at the beginning of the year		14.74	28.68
Cash and cash equivalents at the end of the year		36.25	14.74
COMPONENTS OF CASH AND BANK BALANCES			
Cash and cash equivalent			
Cash and stamps on hand		0.02	0.03
Balances with banks			
- In current accounts		36.23	14.64
- In deposit accounts (Less than three months maturity)		-	0.07
		36.25	14.74

Disclosure as per para 44A as set out in Ind AS 7 on Cash Flow Statement under companies (Indian Accounting Standards) Rules, 2015 (as amended):

Particulars of liabilities arising from financing activities	Note No.	Year Ended 31.03.2022	Net cash flows	Non cash changes		Year Ended 31.03.2023
				Other changes*	Impact due to Ind AS 116	
Borrowings:						
Long term borrowings including current maturities of long term borrowing	20	127.87	145.86	2.86	-	276.59
Short term borrowings	20	-	54.55	-	-	54.55
Interest accrued on borrowings	24	0.38	(25.10)	26.01	-	1.29
Lease liabilities	21	11.97	(7.84)	1.11	0.26	5.50

* It relates to non-cash changes charged in Statement of Profit & Loss.

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

As per our report of even date annexed

For **Deloitte Haskins & Sells**
Chartered Accountants

Hardik Sutaria
Partner

Mumbai
Date: May 25, 2023

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

Prakash Apte
Chairman
DIN: 00196106
Mumbai, May 25, 2023

Manish Poddar
Chief Financial Officer
FCA 098238
Mumbai, May 25, 2023

Tarak Patel
Managing Director
DIN: 00166183
Mumbai, May 25, 2023

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 25, 2023

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity Share Capital

(₹ in Crore)

Particulars	Amount
Balance at April 1, 2021	2.92
Changes in equity share capital during the year	-
Balance at March 31, 2022	2.92
Balance at April 1, 2022	2.92
Changes in equity share capital during the year	6.07
Balance at March 31, 2023	8.99

B. Other Equity

(₹ in Crore)

Particulars	Capital Reserve*	Securities Premium	General Reserve	Cash Subsidy Reserve	Retained Earnings	Share options outstanding reserve	Total
Balance at April 1, 2021	-	14.93	21.13	0.07	318.30	-	354.43
Profit for the year	-	-	-	-	94.96	-	94.96
Other comprehensive income for the year, net of income tax	-	-	-	-	(0.87)	-	(0.87)
Total Comprehensive Income for the year	-	-	-	-	94.09	-	94.09
Less: Payment of dividends	-	-	-	-	(7.31)	-	(7.31)
Add: Issue of Shares under Employee Stock Option Scheme	-	-	-	-	-	0.49	0.49
Balance at March 31, 2022	-	14.93	21.13	0.07	405.08	0.49	441.70
Balance at April 1, 2022	-	14.93	21.13	0.07	405.08	0.49	441.70
Profit for the year	-	-	-	-	98.94	-	98.94
Other comprehensive income for the year, net of income tax	-	-	-	-	0.09	-	0.09
Total comprehensive income for the year	-	-	-	-	99.03	-	99.03
Less : Utilization on issue of bonus shares	-	(5.85)	-	-	-	-	(5.85)
Add : Premium on issue of shares pursuant to acquisition	-	170.18	-	-	-	-	170.18
Less : Payment of dividends	-	-	-	-	(8.89)	-	(8.89)
Add : Issue of Shares under Employee Stock Option Scheme	-	-	-	-	-	2.82	2.82
Balance at March 31, 2023	-	179.26	21.13	0.07	495.22	3.31	698.99

* amounting to ₹ 17,250

As per our report of even date annexed

For **Deloitte Haskins & Sells**
Chartered Accountants

Hardik Sutaria
Partner

Mumbai
Date: May 25, 2023

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

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Managing Director
DIN: 00166183
Mumbai, May 25, 2023

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 25, 2023

Notes to Standalone Financial Statements

for the year ended March 31, 2023

1 Corporate information

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

2 Statement of compliance

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

3 Basis of Preparation of Financial Statements

a) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. (Refer Note no. 4.h1)

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial

statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 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 crore.

4 Significant Accounting Policies

a) Use of Estimates:

The preparation of financial statements are in conformity with the recognition and measurement principles of Ind AS which requires management to make critical judgments, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of

Notes to Standalone Financial Statements

for the year ended March 31, 2023

assets and liabilities within the next financial year, is in respect of:

1. Useful lives of property, plant and equipment (refer note no. 4.d)
2. Provision for old and obsolete inventory (refer note no. 4.g)
3. Provision for Warranty Expense (refer note no. 4.j)
4. Employee benefits (refer note no. 4.k)
5. Expense Provisions & contingent liabilities (refer note no. 4.n)
6. Provision for Doubtful Trade Receivables (refer note no. 4.h8)
7. Valuation of deferred tax assets (refer note no. 4.o)
8. Impairment of Goodwill (refer note no. 4.c)
9. Lease (refer note no. 4.m)

b) Property, Plant and Equipment and Intangible Assets

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all expenses related to the acquisition and installation of Property, Plant and Equipment which comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses.

Machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant class of assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital Work in Progress:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised

impairment loss. Cost comprises direct cost, related incidental expenses and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit & loss.

Intangible Assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

c) Business combination and Goodwill

Business combination:

Business Combination is accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed out in statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition is recognized at their fair values at the acquisition date. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect

Notes to Standalone Financial Statements

for the year ended March 31, 2023

new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Goodwill:

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

d) Depreciation and Amortisation, Useful life of Property, Plant & Equipment and Intangible Assets

Depreciation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Name of Assets	Useful life
A) Burning Scaffold and Pilot Plant (included under Plant & Machinery)	3 years
B) Telephones (included under Office Equipment)	3 years
C) Vehicles	6 years
D) Solar Power Plant	10 years

Items costing less than ₹ 5000/- are fully depreciated in the year of put to use/purchase.

Leasehold improvements are amortized equally over the period of lease.

Amortisation: Intangible assets are amortised over their estimated useful life on straight line method as follows:

Name of Assets	Useful life
A) Computer Software	3-6 years
B) Technical Knowhow	3 years
C) Backlog	1 years
D) Process Knowhow	10 years
E) Non- Compete agreement	3 years

e) Asset Impairment

The Company assesses at each reporting date using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

f) Foreign Exchange Transactions and Translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognized as income or expense of the period in which they arise. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing rate. The resultant exchange rate differences are recognized in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction.

g) Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined on the weighted average method and is net of tax credits and after providing for obsolescence and other losses. Cost includes all charges in bringing the goods to their existing location and conditions, including various tax levies (other than those subsequently recoverable from the tax authorities), transit insurance and receiving

Notes to Standalone Financial Statements

for the year ended March 31, 2023

charges. Cost of work-in-progress and finished goods include cost of direct materials consumed, labour cost and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

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

h) Financial Instruments

h1) Investments

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

The Company measures investment in subsidiaries at cost as per Ind AS 27 - Separate Financial Statements. Transaction costs incurred in connection with investment in subsidiaries are capitalised in the Investment cost.

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

h2) Trade Receivables

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognized at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

h3) Cash & Cash Equivalents

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are

included as a component of cash and cash equivalent for the purpose of statement of cash flow.

h4) Loan & Borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

h5) Trade Payables

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

h6) Other Financial Assets and Liabilities

Other non-derivative financial instruments are initially recognized at fair value and subsequently measured at amortized costs using the effective interest method.

h7) De-recognition of Financial Assets and Liabilities

The Company derecognizes a financial asset when the contractual right to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction which substantially all the risk and rewards of ownership of the financial asset are transferred. If the Company retains substantially all the risk and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired; the difference between the carrying amount of derecognized financial

Notes to Standalone Financial Statements

for the year ended March 31, 2023

liability and the consideration paid is recognized as profit or loss.

h8) Impairment of Financial Assets

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

i) Revenue Recognition

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

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, acceptance of delivery by the customer, etc.

In respect of fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting based on the progress towards complete satisfaction of the performance obligation of the contract at the reporting date. The progress is measured based on the Company's efforts or inputs to the satisfaction of the performance obligation, by reference to the costs incurred up to the end of reporting period and costs to complete as a percentage of total estimated costs in the contract.

Revenue is measured based on the transaction price, which is the consideration, adjusted

for volume discounts, price concessions and Performance penalty, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

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

Other Income:

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

Interest income is recognized on accrual basis.

j) Product Warranty Expenses

Provision is made in the financial statements for the estimated liability on account of costs that may be incurred on products sold under warranty. The estimates for the costs to be incurred for providing free service under warranty are determined based on historical information, past experience, average cost of warranty claims that are provided for in the year of sale.

k) Employee Benefits

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

Defined contribution plans

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

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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.

Share-based payment transactions of the Company

Certain eligible Employees of the Company and its subsidiaries receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where

Notes to Standalone Financial Statements

for the year ended March 31, 2023

an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. The Company raises recharge invoices to subsidiaries for the shares granted to the respective subsidiaries' employees based on the fair value of the options determined on grant date and netted of against the share based payment expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

l) Operating Expenses

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

m) Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an

operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated amortisation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

n) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability is not recognized but its existence is disclosed in the financial statements. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable in the financial statements.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

o) Taxation

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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

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

p) Earnings Per Share

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

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

q) Non-Current Assets held for Sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its

Notes to Standalone Financial Statements

for the year ended March 31, 2023

sale is highly probable; and it will genuinely be sold, not abandoned.

The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in the fair value less cost to sell of an assets but not in excess of the cumulative impairment loss previously recognised, A gain or loss previously not recognised by the date of sale of the non-current assets is recognised on the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

r) Operating Cycle

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

as 12 months for the purpose of current/non-current classification of assets and liabilities.

s) Research and Development Expenses

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

t) Cash Flow Statement

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

5 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 6 Property, Plant & Equipment

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on	Additions	Deductions	Transfer	Upto	For the	On	Upto	As on	As on
	01.04.2022			to Assets Held for Sale	01.04.2022	Year	31.03.2023	31.03.2023	31.03.2022	31.03.2023
Freehold land	38.52	-	-	-	-	-	-	-	-	38.52
Leasehold improvement	8.20	-	-	-	5.07	1.78	-	-	6.85	1.35
Buildings	47.72	5.13	-	-	6.47	1.87	-	-	8.34	44.51
Plant & machineries	95.03	25.84	0.19	-	38.71	14.64	-	0.14	53.21	67.47
Office equipment	11.88	6.55	0.31	-	4.43	2.56	-	0.31	6.68	11.44
Furniture & fixtures	2.96	0.12	0.02	-	1.11	0.51	-	0.02	1.60	1.46
Vehicles	6.79	3.41	1.39	-	2.98	1.48	-	0.93	3.53	5.28
Total	211.10	41.05	1.91	-	58.77	22.84	-	1.40	80.21	170.03

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on	Additions	Deductions	Transfer	Upto	For the	On	Upto	As on	As on
	01.04.2021			to Assets Held for Sale	01.04.2021	Year	31.03.2022	31.03.2022	31.03.2021	31.03.2022
Freehold land	38.52	-	-	-	-	-	-	-	-	38.52
Leasehold improvement	7.61	0.59	-	-	3.34	1.73	-	-	5.07	3.13
Buildings	35.90	19.21	0.07	-	7.14	1.60	2.24	0.03	6.47	41.25
Plant & machineries	74.54	20.89	0.40	-	26.33	12.48	-	0.10	38.71	56.32
Office equipment	8.01	4.66	0.79	-	3.25	1.95	-	0.77	4.43	7.45
Furniture & fixtures	2.05	0.97	0.06	-	0.66	0.50	-	0.05	1.11	1.85
Vehicles	6.02	1.78	1.01	-	2.47	1.28	-	0.77	2.98	3.81
Total	172.65	48.10	2.33	7.32	43.19	19.54	2.24	1.72	58.77	152.33

Notes:

- There are no adjustment to Property, Plant & Equipment on account of borrowing costs and exchange differences.
- Refer Note 20 for details of Charge/pledge on above assets.
- During the year ended March 31, 2022, the Company had decided to sell Commercial property at Peninsula, Mumbai & Company's Guest house at Belvedere Court, Mumbai.
Accordingly, the Company had reclassified these assets as "Assets held for sale" at their carrying value amounting to ₹ 5.08 Crores as they meet the criteria laid out under Ind AS 105.
The Company has sold the above properties during the financial year March 31, 2023 and appropriately recognised net profit amounting to ₹ 18.90 crores in the Statement of Profit and Loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 7 Right of Use Assets

(₹ in Crore)

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION				NET BLOCK	
	As on 01.04.2022	Additions	Deductions	As on 31.03.2023	Upto 01.04.2022	For the Year	On Deductions	Upto 31.03.2023	As on 31.03.2023
Land and buildings	66.64	0.26	-	66.90	16.33	6.55	-	22.88	44.02
Total	66.64	0.26	-	66.90	16.33	6.55	-	22.88	44.02

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION				NET BLOCK	
	As on 01.04.2021	Additions	Deductions	As on 31.03.2022	Upto 01.04.2021	For the Year	On Deductions	Upto 31.03.2022	As on 31.03.2022
Land and buildings	26.01	40.82	0.19	66.64	10.73	5.79	0.19	16.33	50.31
Total	26.01	40.82	0.19	66.64	10.73	5.79	0.19	16.33	50.31

Note : 8 Capital work in progress

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Capital work in progress	6.54	10.42
Total Capital work in progress	6.54	10.42

(a) Capital work in progress ageing schedule

Particulars	As at 31.03.2023					As at 31.03.2022				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Projects in progress	3.81	1.97	-	0.76	6.54	9.03	0.63	0.76	-	10.42
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, the project wise details of when the project is expected to be completed is given below:

Particulars	As at 31.03.2023					As at 31.03.2022				
	To be completed in					To be completed in				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Buildings	0.67	-	-	-	0.67	3.00	-	-	-	3.00
Plant & machineries	4.04	-	-	-	4.04	7.08	-	-	-	7.08
Office Equipment	0.02	-	-	-	0.02	-	-	-	-	-
Total	4.73	-	-	-	4.73	10.08	-	-	-	10.08

Notes to Standalone Financial Statements

for the year ended March 31, 2023

9. Other Intangible Assets

(₹ in Crore)

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION				NET BLOCK	
	As on 01.04.2022	Additions	Deductions	As on 31.03.2023	Upto 01.04.2022	For the Year	On Deductions	Upto 31.03.2023	As on 31.03.2023
Computer software	11.04	0.50	0.15	11.39	7.07	1.72	0.15	8.64	2.75
Technical knowhow	0.22	-	-	0.22	0.14	0.01	-	0.15	0.07
Backlog	0.43	-	-	0.43	0.43	-	-	0.43	-
Process knowhow	12.07	-	-	12.07	8.75	1.21	-	9.96	2.11
Non-Compete agreement	15.64	-	-	15.64	4.35	4.05	-	8.40	7.24
Total	39.40	0.50	0.15	39.75	20.74	6.99	0.15	27.58	12.17

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION				NET BLOCK	
	As on 01.04.2021	Additions	Deductions	As on 31.03.2022	Upto 01.04.2021	For the Year	On Deductions	Upto 31.03.2022	As on 31.03.2022
Computer software	10.20	0.84	-	11.04	5.27	1.80	-	7.07	3.97
Technical knowhow	0.22	-	-	0.22	0.12	0.02	-	0.14	0.08
Backlog	0.43	-	-	0.43	0.43	-	-	0.43	-
Process knowhow	12.07	-	-	12.07	2.33	6.42	-	8.75	3.32
Non-Compete agreement	15.64	-	-	15.64	4.35	-	-	4.35	11.29
Total	38.56	0.84	-	39.40	12.50	8.24	-	20.74	18.66

Depreciation and Amortisation Expense

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Depreciation of Property, Plant & Equipment	22.84	19.54
Amortisation of Right to Use Assets	6.55	5.79
Amortisation of Intangible Assets	6.99	8.24
Total Depreciation and Amortisation Expense	36.38	33.57

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 10 Investments

(i) Non Current

Particulars	Face value (₹)	Qty		Amount	
		As At 31.03.2023	As At 31.03.2023	As At 31.03.2022	As At 31.03.2022
Subsidiary Companies (unquoted) (at cost)					
Mavag AG (Face Value CHF 1,000)	1000	5,000	21.39	5,000	21.39
GMM International S.a.r.l (Face Value USD 0.01)** (Refer Note 1 below)	0.01	4,40,24,467	497.64	1,88,36,339	149.85
GMM Pfaudler Foundation (Face Value ₹ 10)	10	9,999	0.01	9,999	0.01
			519.04		171.25
Shares in Co-operative Societies (unquoted) (at fair value)					
Charotar Gas Sahakari Mandali Limited #	500	10	0.00	10	0.00
			0.00		0.00
Equity Shares (unquoted) (at fair value)					
Futura Polyesters Ltd *	10	100	0.00	100	0.00
Mana Effluent Treatment Plant Limited	1000	50	0.01	50	0.01
			0.01		0.01
Total Unquoted Investments			519.05		171.26

(* Unit 100 and Value INR 385/-)

(** These shares are pledged against borrowings availed by foreign subsidiaries (Pfaudler group))

(# Unit 10 and Value INR 5000/-)

- The Shareholders of GMM Pfaudler Limited ("the Company") in an extra ordinary general meeting held on September 01, 2022, granted approval for acquisition of balance 46% of the paid-up share capital of its existing overseas subsidiary, GMM International S.à.r.l from Pfaudler International S.a.r.l (part of the promoter group) and Millars Concrete Technologies Private Limited (part of the promoter group), for an aggregate consideration of ₹ 343.78 Crore (excluding acquisition cost). The acquisition was completed on September 29, 2022 after obtaining all the relevant approvals and settling the consideration as below. Consequent to this, GMM International S.à.r.l has become a wholly owned subsidiary of the Company.
- The Company paid cash consideration of ₹ 149.47 Crore to Pfaudler International S.à.r.l, for the transfer of 1,09,51,360 ordinary shares of GMM International S.à.r.l to the Company,
- The Company paid cash consideration of ₹ 23.91 Crore to Millars Concrete Technologies Private Limited, for the transfer of 17,51,922 ordinary shares of GMM International S.à.r.l to the Company,
- The Company issued and allotted 11,04,724 equity shares of the Company having face value of ₹ 2 each, at a price of ₹ 1,542.43 per equity share on a preferential basis to Millars Concrete Technologies Private Limited for the transfer of 1,24,84,846 ordinary shares of GMM International S.à.r.l to the Company.
Further acquisition cost amounting to ₹ 4.01 Crore is capitalised to investments.

(ii) Current

Particulars	Face value (₹)	No. of Units		Amount	
		As At 31.03.2023	As At 31.03.2023	As At 31.03.2022	As At 31.03.2022
In Units of Mutual Funds, Unquoted (at fair value)					
Aditya Birla Sun Life Credit Risk Fund - Growth Regular - (Segregated Portfolio 1)	10	-	-	50,47,117	0.08
Total					0.08

Category wise classification of investments - as per Ind AS 109

Particulars	As At 31.03.2023	As At 31.03.2022
Financial assets carried at fair value through profit or loss (FVTPL)		
i) Mandatorily measured at FVTPL (Investment in mutual fund)	0.00	0.08
ii) Designated as at FVTPL (Investment in equity instruments)	0.01	0.01
Total	0.01	0.09

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 11 Loans

Particulars	(₹ in Crore)	
	As at 31.03.2023	As at 31.03.2022
Current		
(Unsecured)		
Loans to employees	0.44	0.12
Total	0.44	0.12

Note: There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any person.

Note : 12 Other Financial Assets

Particulars	(₹ in Crore)	
	As at 31.03.2023	As at 31.03.2022
(i) Non Current		
Security Deposits (including considered doubtful as at 31.03.2023 ₹ 0.07 Crore, as at 31.03.2022 ₹ 0.07 Crore)	4.42	3.81
Less : Provision for doubtful security deposits	0.07	0.07
Fixed deposits with maturity more than twelve months (including margin money deposit lodged against bank guarantee as at 31.03.2023 ₹ 3.74 Crore and as at 31.03.2022 ₹ 0.38 Crore)	3.74	0.38
ESOP Receivable (Refer Note 37)	2.15	0.32
	10.24	4.44
(ii) Current		
Accrued income	0.74	1.15
Unbilled Revenue (Net of Advance from customers)	102.93	51.27
	103.67	52.42

Particulars	(₹ in Crore)	
	As at 31.03.2023	As at 31.03.2022
Contracts in Progress at the end of reporting period		
1. Contract Revenue Recognise as per Percentage of Completion Method	46.88	44.28
2. Contract Cost Incurred up to the reporting date	29.72	19.12
3. Recognised Profit (1-2)	17.16	25.16
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	132.42	85.54
(ii) Amounts due to Customers under construction contracts	-	-
6. Retentions held by customers	-	-
7. Advances received from customers	29.49	34.27
Unbilled Revenue (Net) (5-7)	102.93	51.27

Note: Since the original expected duration of contracts entered by the Company is one year or less, management expects to recognise revenue with respect to unsatisfied / partially satisfied performance obligations, within twelve months from the date of balance sheet.

Note : 13 (Current Tax Liabilities) / Non-current Tax Assets

Particulars	(₹ in Crore)	
	As at 31.03.2023	As at 31.03.2022
Provision for Income Tax	(98.27)	(120.62)
Advance payment of Tax	98.01	121.04
(Current Tax Liabilities) / Non-current Tax Assets	(0.26)	0.42

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 14 Other Assets

Particulars	₹ in Crore)	
	As at 31.03.2023	As at 31.03.2022
(i) Non Current		
Capital Advances (Unsecured, Considered Good)	1.41	1.19
Balances With Indirect Tax Authorities	0.30	0.30
Less: Provision for doubtful balance with indirect tax authorities	0.30	0.30
	1.41	1.19
(ii) Current		
Balances With Indirect Tax Authorities	0.44	19.50
Less: Provision for doubtful balance with indirect tax authorities	0.40	0.40
Prepaid Expenses	4.21	3.66
Advance to Suppliers (Unsecured, Considered Good)		
- Related party	0.44	1.87
- Others	7.73	2.86
Employee Advances*	0.07	0.04
Export Benefit Receivable	2.16	2.47
Others	0.04	0.06
	14.69	30.06

* Note: There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any person

Note : 15 Inventories

Particulars	₹ in Crore)	
	As at 31.03.2023	As at 31.03.2022
(Valued at lower of cost and net realisable value)		
Raw materials (including in transit as at 31.03.2023 ₹ 0.34 Crore and as at 31.03.2022 ₹ 0.85 Crore)	88.35	130.78
Work-in-progress	85.00	64.72
Finished goods (including in transit as at 31.03.2023 ₹ 4.72 Crore and as at 31.03.2022 ₹ 11.87 Crore)	14.51	25.96
Stores and spares	11.28	9.14
Total	199.14	230.60

(Inventories are hypothecated as security for borrowings as disclosed under Note 20).

Note : 16 Trade Receivables

Particulars	₹ in Crore)	
	As at 31.03.2023	As at 31.03.2022
Unsecured, Considered good		
Trade Receivable which have significant increase in Credit risk	197.43	121.01
	14.88	13.15
	212.31	134.16
Less : Allowance for doubtful debts	14.88	13.15
Total	197.43	121.01

(Trade Receivables are given as security for borrowings as disclosed under Note 20).
(Includes Trade Receivables from Related Parties, Refer Note 41).

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Movement in the expected credit loss allowance

Particulars	₹ in Crore)	
	Year Ended 31.03.2023	Year Ended 31.03.2022
Balance at beginning of the year	13.15	11.89
Add : Provision made during the year	3.24	2.12
Less : Provision used during the year	1.51	0.86
Balance at the end of the year	14.88	13.15

Trade receivables ageing schedule as at 31.03.2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
	(i) Undisputed Trade receivables – considered good	176.69	20.23	0.29	0.22	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	4.85	3.57	3.44	0.67	0.32	12.85
(iii) Disputed Trade Receivables – which have significant increase in credit risk	-	0.25	0.93	0.15	0.70	2.03
	181.54	24.05	4.66	1.04	1.02	212.31
Less : Allowance for doubtful debts						14.88
Trade receivables						197.43

Trade receivables ageing schedule as at 31.03.2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
	(i) Undisputed Trade receivables – considered good	113.85	7.16	-	-	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	7.71	1.44	2.03	0.25	0.55	11.98
(iii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	1.17	1.17
	121.56	8.60	2.03	0.25	1.72	134.16
Less : Allowance for doubtful debts						13.15
Trade receivables						121.01

Note : 17 Cash and Bank Balances

Particulars	₹ in Crore)	
	As at 31.03.2023	As at 31.03.2022
Cash and Cash Equivalents		
Cash and stamps on hand	0.02	0.03
Balances with banks		
In current accounts	36.23	14.64
In deposit accounts with original maturity less than three months	-	0.07
	36.25	14.74
Other Bank Balances		
Fixed deposits with original maturity more than three months and less than twelve months (including margin money deposit lodged against bank guarantee and letter of credit as at 31.03.2023 ₹ 1.47 Crore and as at 31.03.2022 ₹ 0.20 Crore)	1.58	0.20
In unpaid dividend accounts - earmarked balances	0.34	0.40
	1.92	0.60

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 18 Equity Share Capital

Particulars	₹ in Crore	
	As at 31.03.2023	As at 31.03.2022
Authorised		
50,000,000 (PY 25,000,000) Equity shares of ₹ 2/- each (Refer Note below)	10.00	5.00
Issued, Subscribed and Paid-up		
4,49,57,224 (PY 1,46,17,500) Equity shares of ₹ 2/- each fully paid up (Refer Note 18d)	8.99	2.92
Total	8.99	2.92

Note: The Authorized Share Capital of the Company was increased from ₹5,00,00,000 (consisting of 2,50,00,000 equity shares of face value of ₹2 each) to ₹10,00,00,000 (consisting of 5,00,00,000 equity shares of face value of ₹2 each) through an ordinary resolution passed by the Shareholders of the Company by Postal Ballot on July 26, 2022.

a Reconciliation of equity shares outstanding at the beginning and end of the reporting year

Particulars	₹ in Crore			
	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	(₹ in Crore)	No. of Shares	(₹ in Crore)
At the Beginning of the year	1,46,17,500	2.92	1,46,17,500	2.92
a) Issuance of Bonus Shares (Refer Note 18d(1))	2,92,35,000	5.85	-	0.00
b) Issuance of equity shares on preferential basis to Millars Concrete Technologies Private Limited (Refer Note 18d(2))	11,04,724	0.22	-	-
Balance at the end of the year	4,49,57,224	8.99	1,46,17,500	2.92

b Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	% holding	No. of Shares	% holding
Pfaudler Inc.	65,44,389	14.56%	47,76,736	32.68%
Millars Machinery Company Private Limited	38,86,785	8.65%	12,95,595	8.86%
Urmi Ashok Patel	23,60,022	5.25%	6,19,679	4.24%

d Buyback of Shares, Bonus Shares and Shares issued for Consideration other than cash

- Pursuant to approval granted by the shareholders of the Company on June 26, 2022 through Postal ballot for issue of Bonus Shares, The Allotment Committee of Board of Directors at their meeting held on July 14, 2022 approved allotment of 2,92,35,000 Equity Shares having face value of ₹ 2/- each as fully paid-up Bonus Equity Shares, in the ratio of 2:1 i.e. 2 (Two) Equity Shares having face value of ₹ 2/- each for every 1 (One) equity share having face value of ₹ 2/- each held by the shareholders of the Company as on July 12, 2022 being the record date.
- Pursuant to approval granted by the Board of Directors and after obtaining all the relevant approvals on September 01, 2022, The Company has allotted 11,04,724 fully paid-up equity shares of the Company having face value of ₹ 2 each, at a price of ₹ 1,542.43 each on a preferential basis to Millars Concrete Technologies Private Limited on September 29, 2022 for consideration other than cash for the transfer of 1,24,84,846 ordinary shares of GMM International S.a.r.l to the Company.
- The Company has not bought back any shares in the past five years.

e Shares reserved for issue under options and contracts:

Refer Note 37 for details of shares to be issued under employee stock option Scheme (ESOP 2021)

Notes to Standalone Financial Statements

for the year ended March 31, 2023

f Details of Shareholding of Promoters

Shares held by promoters at the end of the year		As at 31.03.2023		
Sr. No.	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	Tarak Ashok Patel	5,21,880	1.16%	-0.03%
2	Ashok Jethabhai Patel	20,235	0.05%	0.00%
3	Urmi Ashok Patel	23,60,022	5.25%	1.01%
4	A J Patel HUF	8,31,705	1.85%	-0.05%
5	Uttara A Patel	-	0.00%	-1.14%
6	Panna Shailendra Patel	1,01,250	0.23%	-0.01%
7	Pragna Satish Patel	48,480	0.11%	0.00%
8	Palomita Shailendra Patel	3,600	0.01%	0.00%
9	A J Patel Charitable Trust	7,59,375	1.69%	-0.04%
10	Millars Machinery Company Private Limited	38,86,785	8.65%	-0.22%
11	Uttarak Enterprises Private Limited	12,32,655	2.74%	-0.07%
12	Pfaudler Inc.	65,44,389	14.56%	-18.12%
13	Millars Concrete Technologies Private Limited	11,04,724	2.46%	2.46%
Total		1,74,15,100	38.74%	

Shares held by promoters at the end of the year		As at 31.03.2022		
Sr. No.	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	Tarak Ashok Patel	1,73,960	1.19%	-
2	Ashok Jethabhai Patel	6,745	0.05%	-
3	Urmi Ashok Patel	6,19,679	4.24%	-
4	A J Patel HUF	2,77,235	1.90%	-
5	Uttara A Patel	1,66,995	1.14%	-
6	Panna Shailendra Patel	33,750	0.23%	-
7	Pragna Satish Patel	16,160	0.11%	-
8	Palomita Shailendra Patel	1,200	0.01%	-
9	A J Patel Charitable Trust	2,53,125	1.73%	-
10	Millars Machinery Company Private Limited	12,95,595	8.86%	-
11	Uttarak Enterprises Private Limited	4,10,885	2.81%	-
12	Pfaudler Inc.	47,76,736	32.68%	-
Total		80,32,065	54.95%	

Note : 19 Other Equity

Particulars	₹ in Crore	
	As at 31.03.2023	As at 31.03.2022
Capital Reserve*		
Balance at the beginning of the year	0.00	0.00
Movement during the year	-	-
Balance at the end of the year	0.00	0.00
* Balance at the beginning and at the end of the year ₹ 17,250/-		

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 19 Other Equity (contd...)

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Cash Subsidy Reserve:		
Balance at the beginning of the year	0.07	0.07
Movement during the year	-	-
Balance at the end of the year	0.07	0.07
Securities Premium:		
Balance at the beginning of the year	14.93	14.93
Movement during the year (Refer Note 18d)	164.33	-
Balance at the end of the year	179.26	14.93
General Reserve:		
Balance at the beginning of the year	21.13	21.13
Add: Transfer from Statement of Profit and Loss account	-	-
Balance at the end of the year	21.13	21.13
Share options outstanding reserve:		
Balance at the beginning of the year	0.49	-
Add: Issue of Shares under Employee Stock Option Scheme (Refer Note 37)	2.82	0.49
Balance at the end of the year	3.31	0.49
Surplus in Statement of Profit and loss:		
Balance at the beginning of the year	405.08	318.30
Add : Net Profit for the year	99.03	94.09
Less : Appropriations:		
Interim Dividend [Dividend Per Share ₹1, (Previous Year ₹ 3)]	4.50	4.39
Final Dividend [Dividend Per Share ₹1, (Previous Year ₹ 2)]	4.39	2.92
Balance at the end of the year	495.22	405.08
Total Other Equity	698.99	441.70

Nature and Purpose of Reserves:

Capital Reserve:

Capital Reserve represents excess/short of net assets acquired in business combination. It is not available for the distribution to shareholders as dividend.

Cash Subsidy Reserve:

Cash Subsidy Reserve represents subsidies received from state government. It is not available for distribution as dividend to shareholders.

Securities Premium:

Securities Premium represents Security Premium received at the time of issuance of Equity Shares. Such amount is available for utilisation in accordance with the provisions of the Companies Act, 2013.

General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the Statement of Profit & Loss.

Share options outstanding reserve:

This reserve relates to share options granted by the Company to its employee stock option scheme. Further information about share-based payments to employees is set out in Note 37.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 20 Borrowings

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
i. Long Term Borrowings		
a. Non Current		
Secured (at amortised cost)		
Term Loan from Bank (Refer Note 1 to 6 below)	216.40	100.62
	216.40	100.62
b. Current		
Secured (at amortised cost)		
Term Loan from Bank (Refer Note 7 below)	60.19	27.25
	60.19	27.25
Total Long Term Borrowings	276.59	127.87
ii. Short Term Borrowings		
Secured (at amortised cost)		
Working Capital Loans repayable within one year (Refer Note 8 & 9 below)	29.55	-
Unsecured (at amortised cost)		
Working Capital Loans repayable within one year (Refer Note 8 & 9 below)	25.00	-
Current Maturities of Long terms borrowings (Refer Note 7 below)	60.19	27.25
Total Short Term Borrowings (ii)	114.74	27.25
Total Borrowings (i+ii)	331.14	127.87

Note :

- 1 A Rupee Term Loan amounting to ₹ 24.35 Crore (Previous Year 2021-22: ₹ 35.18 Crore) is secured by charge over immovable property and movable property located at Hyderabad. The loan carries interest rate at 9.25 % (Previous Year 2021-22: 6.75%) per annum. The Loan is repayable in 17 quarterly instalments.
- 2 A Rupee Term Loan amounting to ₹ 39.47 Crore (Previous Year 2021-22: ₹ 51.40 Crore) is secured by charge over movable and immovable property located at Vatva (Ahmedabad) Gujarat. The loan carries interest rate at 9.30% (Previous Year 2021-22: 6.55%) per annum. The Loan is repayable in 14 quarterly instalments. The charge on above securities with respect to mortgage is in process of registration with MCA.
- 3 A Rupee Term Loan amounting to ₹ 37.99 Crore (Previous Year 2021-22: NIL) is secured by Primary - Pari passu first charge on entire current assets of the Company, present and future and Collateral - Pari passu first charge on the entire fixed assets of Company's Karamsad factory. The charge on immovable property is in process of registration with MCA. The loan carries interest rate at 8.20% per annum. The Loan is repayable in 20 quarterly instalments.
- 4 A Rupee Term Loan amounting to ₹ 75.00 Crore (Previous Year 2021-22: NIL) is secured by Hypothecation of inventories, book debts and all other current assets under first pari passu charge i.e. entire current assets (Current asset shall be hypothecated for all 3 units : Vatva, Karamsad, Hyderabad), Movable Fixed Assets - First Pari Passu charge on the entire movable Fixed Assets of Company's Karamsad factory and Hyderabad factory. The charge on immovable property is in process of registration with MCA. The loan carries interest rate at 8.73% per annum. The Loan is repayable in 48 monthly instalments.
- 5 A Rupee Term Loan amounting to ₹ 60.00 Crore (Previous Year 2021-22: NIL) is secured by First pari passu charge on current and movable Fixed assets of Company's Karamsad factory and First Pari Passu charge on movable Fixed Assets located at Vatva (Ahmedabad) Gujarat. This loan is also secured by charge over immovable property located at Karamsad and Vatva. The charge on immovable property is in process of registration with MCA. The loan carries interest rate at 8.37% per annum. The Loan is repayable in 17 monthly instalments.
- 6 External Commercial Borrowing (ECB) amounting to ₹ 39.78 Crore (Previous Year 2021-22: ₹ 41.29 Crore) is secured by pari passu charge on the Company's Karamsad factory, 1st charge by way of hypothecation on the Company's inventories (stores & spares not relating to the Plant and Machinery), Bills Receivable, Book Debts and all other movables including machineries, equipment's, spares etc. The loan carries interest rate of 3/6 month Libor plus 245 basis point. Repayments have started from July 2021 and will continue until January 2025. The charge on above securities is in process of registration with MCA.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

- 7 Instalments falling due within a year in respect of all the above Loans aggregating ₹ 60.19 Crore (Previous Year 2021-22: ₹ 27.25 Crore) have been grouped under "Current Maturities of Long term borrowings".
- 8 Working Capital Loans amounting to ₹ 54.55 Crore (Previous Year 2021-22: NIL) repayable within one year bearing Interest rate ranging from 7.86% to 8.67%.
- 9 The Company has been sanctioned working capital from banks. Out of total ₹ 54.55 crore working capital loans, ₹ 29.55 crore are secured by current assets of the Company and fixed assets (movable and immovable) at Company's plants at Karamsad and Hyderabad. The charge on immovable property is in process of registration with MCA. The Company in this regard has been duly submitting with all such banks from whom such facilities are taken, the quarterly statements comprising details of said current assets viz. raw material, stores and spares, finished goods, book debts and reduced by relevant trade payables. The said quarterly statements are in agreement with the unaudited books of account of the Company of the respective quarters and there are no material discrepancies.
- 10 The Company is in the process of creating a new security offering structure for all lenders whereby the Company has appointed a Security Trustee who will create charge in favour of all lenders along with the related documentation and other compliance activities, post which all borrowings of the Company will be secured. As per the said security offering structure of the Company, all term loan lenders will have a first pari passu charge on the fixed assets (movable & immovable) of the Company and second pari passu charge on the current assets of the Company whereas all secured working capital lenders will have a first pari passu charge on the current assets of the Company and second pari passu charge on the fixed assets (movable and immovable) of the Company.

Note : 21 Lease Liabilities

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Non Current	0.53	5.23
Current	4.97	6.74
Total	5.50	11.97

(i) Movement in Lease Liabilities

Particulars	As at 31.03.2023	As at 31.03.2022
Opening Balance	11.97	17.22
Add: Addition made during the year	0.26	0.29
Add: Finance cost accrued during the year (Refer Note 32)	1.11	1.56
Less: Deletion made during the year	-	-
Less: Payment of Lease Liabilities	7.84	7.10
Closing Balance	5.50	11.97

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

Particulars	As at 31.03.2023	As at 31.03.2022
Payable within one year	5.46	7.80
Payable later than one year and not later than five years	0.35	5.55
Payable after five years	-	-

Particulars	As at 31.03.2023	As at 31.03.2022
(iii) Lease payments recognised for short term leases in Statement of Profit and Loss during the year (Refer Note 33)	0.30	0.49

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet obligations related to lease liabilities as and when they fall due.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 22 Deferred Tax Liabilities

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Deferred tax liabilities	7.94	5.68
Deferred tax assets	(2.09)	(1.17)
Net Deferred Tax Liabilities	5.85	4.51

Particulars	2022-23			2021-22		
	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 & equipment	5.65	2.29	7.94	5.86	(0.21)	5.65
Investments classified as FVTPL	0.03	(0.03)	-	0.06	(0.03)	0.03
Provision for doubtful debt	(1.06)	(0.59)	(1.65)	(1.15)	0.09	(1.06)
Lease liabilities	(0.11)	(0.33)	(0.44)	(0.25)	0.14	(0.11)
Net Deferred Tax Liabilities	4.51	1.34	5.85	4.52	(0.01)	4.51

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

Particulars	As at 31.03.2023	As at 31.03.2022
Profit before tax from Continuing Operations	131.07	127.02
Income Tax using the Company's Domestic Tax rate #	32.99	31.97
Tax Effect of :		
- Non deductible Expenses	10.58	9.20
- Tax - Exempt income	-	-
- Deduction on account of Expenses allowable in Tax but not claimed in book	(8.50)	(8.38)
- Tax impact on Income charged under Capital Gain/Other Income	1.34	-
- Changes in recognised deductible temporary differences	1.34	(0.01)
- Changes in recognised deductible temporary differences due to change in rate of tax	-	-
- Tax on account of profit on sale of Property, Plant & Equipment and other adjustments	(4.91)	-
- Tax impact on notional income / expense	(0.03)	(0.14)
- Excess Provision for Tax relating to prior years	(0.68)	(0.58)
Income Tax recognised in Statement of Profit & Loss from Continuing Operations	32.13	32.06
Effective Tax Rate	24.52%	25.24%

The Tax rate used for Financial Year 2022-23 & 2021-22, in reconciliation above is the corporate tax rate of 25.17% payable by the Company on taxable profits under the Indian Tax Law.

(b) Income Tax Expense

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Current Tax:		
Current Income Tax Charge	31.47	32.65
Excess Provision for Tax relating to Prior Years	(0.68)	(0.58)
Deferred Tax		
Deferred Tax Charge for the year	1.34	(0.01)
Total Tax Expense recognised in Statement of Profit and Loss	32.13	32.06

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 23 Trade Payables

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Dues to Micro and Small Enterprises (Refer Note 44)	0.67	2.70
Dues to Other Creditors	153.19	156.13
Total	153.86	158.83

Trade payables ageing schedule as at 31.03.2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
(i) MSME	0.67	-	-	-	0.67
(ii) Others	140.94	1.96	3.28	2.95	149.13
Total	141.61	1.96	3.28	2.95	149.80
Add: Accrued Expenses					4.06
Total					153.86

Trade payables ageing schedule as at 31.03.2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
(i) MSME	2.70	-	-	-	2.70
(ii) Others	144.79	3.38	0.58	2.41	151.16
Total	147.49	3.38	0.58	2.41	153.86
Add: Accrued expenses					4.97
Total					158.83

Note : 24 Other Financial Liabilities

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Current		
Unclaimed Dividend (Refer Note below)	0.30	0.36
Payables for capital expenditure	0.25	0.43
Employee benefits payable	18.31	17.24
Interest accrued but not due on borrowings	1.29	0.38
Total	20.15	18.41

Note:

The amount of Unclaimed Dividend reflects the position as at March 31, 2023. During the year, the Company has transferred an amount of ₹ 0.04 Crore (Previous year ₹ 0.02 Crore) to the Investors' Education and Protection Fund in accordance with the provisions of section 125 of the Companies Act, 2013.

Note : 25 Other Liabilities

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Current		
Advances from customers (Net of advances related to unbilled revenue)	82.74	93.99
Statutory dues payable	8.39	2.31
Total	91.13	96.30

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 26 Provisions

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Current		
Provision for employee benefits (Note (i))	2.16	3.33
Provision for unexpired warranty (Note (ii))	4.90	3.83
Total	7.06	7.16

Note

- (i) Provision for employee benefits includes amount payable to employees on account of Gratuity and compensated absences. Movement of Provision for employee benefits is disclosed under Note 36.
- (ii) As per the contractual terms with customers, the Company provides warranty to the customers for 18 months from date of sales or 12 months from date of installation which ever is earlier. The provision is made for such returns/rejections on the basis of historical warranty trends as per the policy of the Company.

Provision for unexpired warranty

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Opening balance	3.83	4.13
Add: Additional provision made during the year	3.90	1.59
Less: Provision used during the year	2.83	1.89
Closing balance	4.90	3.83

Note : 27 Revenue from Operations

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Revenue from Sale of Products	1,038.40	795.44
Other Operating Revenues	36.39	19.38
Total	1,074.79	814.82

Disaggregate Revenues from contracts with customer :

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Revenue from Glass-lined equipment	518.08	498.70
Revenue from Heavy Engineering	225.63	140.46
Revenue from Proprietary Product	331.08	175.66
Total	1,074.79	814.82

Reconciliation of Revenue from operations with contract price:

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Contract Price	1,082.89	824.06
Less : Adjustment made to contract price on account of:		
Sales return	7.89	7.34
Liquidated damages	0.21	1.90
Total	1,074.79	814.82

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 28 Other Income

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Interest Income (Gross)		
- Deposits with banks	0.03	0.15
-Others	0.02	0.07
Net gain on sale of non-current investments	0.08	0.06
Other non-operating income		
- Profit on sale of Property, Plant & Equipment (net)*	18.98	-
- Miscellaneous Income	1.54	0.49
Net gain on foreign exchange translations	2.68	2.99
Total	23.33	3.76

* Profit on sale of Property, Plant & Equipment includes profit on sale of asset held for sale

Note : 29 Cost of Materials Consumed

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Opening stock of Raw materials	130.78	57.19
Add: Purchases during the year	494.70	475.71
	625.48	532.90
Less: Closing stock of Raw materials	88.35	130.78
Total	537.13	402.12

Note : 30 Changes in Inventories of Finished Goods and Work-in-Progress

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Inventory of finished good at the beginning of the year	25.96	16.64
Inventory of work in progress at the beginning of the year	64.72	32.93
	90.68	49.57
Inventory of finished good at the closing of the year	14.51	25.96
Inventory of work in progress at the closing of the year	85.00	64.72
	99.51	90.68
Total	(8.83)	(41.11)

Note : 31 Employee Benefits Expense

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Salaries and Wages	86.17	78.55
Contribution to Provident and other Funds	5.71	5.14
Shared based payment to employees (Refer Note 37)	0.99	0.17
Staff welfare expenses	3.55	2.69
Total	96.42	86.55

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 32 Finance Cost

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Interest expense	24.31	11.14
Other financial charges	1.70	2.30
Interest on lease liabilities (Refer Note 21)	1.11	1.56
Total	27.12	15.00

Note : 33 Other Expenses

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Power & fuel	51.93	42.45
Stores & spares consumption	51.20	30.08
Repairs to machinery	7.61	6.35
Repairs to buildings	1.38	1.76
Repairs- others	0.72	1.09
Rent (Refer Note 21)	0.30	0.49
Insurance	4.94	3.54
Rates & Taxes	0.44	0.56
Royalty	4.66	4.26
Travel & Conveyance	7.40	3.38
Communication	1.10	1.17
Bad debts written off (Net)	0.67	0.58
Provision for doubtful debts and advances (Net)	2.32	(0.36)
Provision for warranty expenses (Net)	1.07	(0.30)
Loss on sale of Property, Plant & Equipment (Net)	-	0.02
Net loss on Current Investments designated as fair value through profit or loss	0.07	0.14
Advertisement and sales promotion	1.93	1.53
Commission	1.56	0.92
Legal and professional fees	14.80	12.35
Freight outward	29.53	12.52
Payments to auditors (Refer Note 35)	0.81	0.54
Expense on CSR activities (Refer Note 42)	2.22	1.77
IT expenses	1.84	1.65
Miscellaneous expenses	11.79	10.08
Total	200.29	136.57

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 34 Contingent Liabilities and Commitments

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
A) Contingent Liabilities not provided for:		
i) Disputed demands relating to Indirect Taxes.		
- Company has preferred appeal against orders for payment under reverse charge mechanism in respect to Service Tax matter.		
- Company has filed appeal against assessment order in respect of Sales Tax matter.	0.70	0.70
Management has assessed that no liability is likely to devolve on the Company and hence no provision has made in the books of account.		
ii) Matter decided in favour of the Company where the income tax department has preferred appeals.		
- Commissioner Income Tax (CIT) (Appeal) has passed order and deleted the additions made by The Assessing Officer. Department has filed appeal before Income Tax Appellate Tribunal (ITAT) Ahmedabad for which ITAT has set aside the issue before the Assessing Officer for fresh adjudication with respect to disallowance of warranty provision for AY 2007-08 and 2008-09.		
- The Company has received order from ITAT Ahmedabad for which ITAT has set aside the issue to CIT (Appeal) in respect of upward adjustment in Arms Length Price for AY 2010-11, 2011-12 and 2012-13.	5.03	5.27
Management has assessed that no liability is likely to devolve on the Company and hence no provision has made in the books of account.		
iii) Disputed demands relating to tax against which the Company has preferred appeals.		
- Company has preferred appeal before CIT (Appeal) against the disallowance of education expenditure under Section 143 (3) for AY 2013-14.		
- Company has preferred appeal before CIT (Appeal) with respect to disallowance of commission paid to non-resident due to non deduction of Tax deducted at source for AY 2017-18.	0.16	0.24
Management has assessed that no liability is likely to devolve on the Company and hence no provision has made in the books of account.		
Note: Against the above, the Company has paid ₹ 0.35 Crore. The expected outflow will be determined at the time of final outcome in respect of concerned matter.		
Guarantees		
The Company has issued various guarantees for performance, deposits, advances etc. The management basis past history and events has considered the probability for outflow of the same to be remote and accordingly no amount has been disclosed here in contingent liability.		
B) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	2.78	19.35

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 35 Payments to Auditors

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
As Auditor		
(i) Statutory audit fees	0.50	0.35
(ii) Limited review fees	0.15	0.15
(iii) Tax audit fees	0.02	0.02
Other services		
(i) Certification	0.08	0.01
(ii) Other services	0.04	
Reimbursement of out-of-pocket expenses	0.02	0.01
Total	0.81	0.54

Note : 36 Employee Benefits

As per Ind AS 19 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

Defined Contribution Plans

The Company operates defined contribution retirement benefit plans for all qualifying employees in the form of provident fund, superannuation fund, family pension fund and Employee State's Insurance.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under : (₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Employer's Contribution to Provident Fund	2.91	2.53
Employer's Contribution to Superannuation Fund	0.39	0.55
Employer's Contribution to Pension Scheme	1.02	0.90
Employer's Contribution to Employee's State Insurance	0.02	0.01

Compensated absences and earned leaves

The Company's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy.

Defined Benefit Plans

The Company operates a defined benefit plan in form of gratuity plan covering eligible employees, which provide a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan liability.

In respect of the Defined Benefit Obligation Plan and Compensated absences and earned leaves, the most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at March 31, 2023. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

The amounts recognized in the Company's financial statements as at the year end are as under:

Particulars	(₹ in Crore)			
	Gratuity (Funded)		Compensated Absences (Funded)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
a Assumptions :				
Discount Rate	7.50%	7.33%	7.50%	7.33%
Rate of Return on Plan Assets	7.50%	7.33%	7.50%	7.33%
Salary Escalation	7.00%	7.00%	7.00%	7.00%
Mortality	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2012-14
Average Past Service	5.23 Years	5.34 Years	5.23 Years	5.33 Years
Average Age	36.14 Years	36.49 Years	36.14 Years	36.49 Years
Rate of Employee Turnover	For Service 4 years and below 7% p.a. For Service 5 years and above 4% 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 4% 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	9.99	8.71	5.17	4.20
Interest cost	0.74	0.61	0.39	0.29
Current service cost	1.22	0.99	0.53	0.41
Benefit paid	(1.49)	(1.17)	(0.91)	(0.58)
Actuarial (gains) and loss arising from changes in demographic assumptions	0.10	0.00 *	0.06	0.00 **
Actuarial (gains) and loss arising from changes in financial assumptions	(0.18)	(0.48)	(0.10)	(0.28)
Actuarial (gains) and loss arising from experience adjustments	(0.04)	1.33	0.28	1.13
Liability at the end of the year	10.34	9.99	5.42	5.17
c Change in Plan Assets:				
Fair value of Plan Assets at the beginning of the year	7.98	6.51	3.85	3.07
Expected Return on Plan Assets	0.58	0.45	0.28	0.22
Contributions	2.01	2.21	1.33	1.13
Benefit Paid	(1.49)	(1.17)	(0.91)	(0.58)
Actuarial gain / (loss) on Plan Assets	(0.02)	(0.02)	(0.01)	0.01
Fair value of Plan Assets at the end of the year	9.06	7.98	4.54	3.85

* ₹ 2,310/-

** ₹ 1,731/-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Crore)

Particulars	Gratuity (Funded)		Compensated Absences (Funded)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	d Actual Return on Plan Assets:			
Expected Return on Plan Assets	0.58	0.45	0.28	0.22
Actuarial gain / (loss) on Plan Assets	(0.02)	(0.02)	(0.01)	0.01
Actual Return on Plan Assets	0.56	0.43	0.27	0.23
e Amount recognized in the Balance Sheet:				
Present value of Funded defined benefit obligation at the end of the year	10.34	9.99	5.42	5.17
Fair value of Plan Assets at the end of the year	9.06	7.98	4.54	3.85
Net (Liability)/Asset recognized in the Balance Sheet	(1.28)	(2.01)	(0.88)	(1.32)
f Expenses recognized in the Statement of Profit & Loss :				
Current Service cost	1.22	0.99	0.53	0.41
Interest Cost	0.15	0.16	0.10	0.07
Net Actuarial (gain) / loss to be recognized	(0.09)	0.87	0.25	0.84
Expense / (Income) recognized in Statement of Profit & Loss	1.28	2.02	0.88	1.32
g Balance Sheet reconciliation:				
Opening Net Liability	2.01	2.20	1.32	1.13
Expenses recognised in Statement of Profit & Loss	1.37	1.15	0.88	1.32
Expenses recognised in OCI	(0.09)	0.87	-	-
Employers Contribution	(2.01)	(2.21)	(1.32)	(1.13)
Net Liability / (Assets) recognized in Balance Sheet	1.28	2.01	0.88	1.32
Current	1.28	2.01	0.88	1.32
Non Current	-	-	-	-
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	(0.04)	1.33	0.28	1.13
Actuarial (Gains)/Losses on Plan Assets - Due to Experience	0.02	0.02	0.01	(0.01)
j Projected Contribution for next year	2.60	2.55	1.48	1.86
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.				

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Particulars	₹ in Crore)	
	31.03.2023	31.03.2022
Projected Benefit obligation on current assumption	10.34	9.99
Impact of increase in discount rate by 1%	(0.95)	(1.11)
Impact of decrease in discount rate by 1%	1.11	1.34
Impact of increase in salary escalation rate by 1%	1.10	1.34
Impact of decrease in salary escalation rate by 1%	(0.96)	(1.12)
Impact of increase in rate of employee turnover by 1%	0.01	0.01
Impact of decrease in rate of employee turnover by 1%	(0.02)	(0.02)
The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.		
Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.		

I Investment details of plan assets

The Plan assets are managed by Insurance group viz. Life Insurance Corporation of India which has invested the funds substantially as under :

Particulars	Gratuity		Leave Encashment	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Insurance Fund	9.06	7.99	4.54	3.85
Total	9.06	7.99	4.54	3.85

m Maturity Profile

Particulars	Gratuity	
	As at 31.03.2023	As at 31.03.2022
1 st Following Year	0.55	1.03
2 nd Following Year	0.44	0.33
3 rd Following Year	0.54	0.31
4 th Following Year	0.61	0.22
5 th Following Year	0.90	0.29
Sum of Years 6 to 10	4.32	2.91
Sum of Years 11 and above	19.00	25.63

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 37 Share-Based Payments

Equity settled share option plan

The Company has instituted Employee Stock Option Scheme (ESOP 2021) to designated employees of the Company and its subsidiaries. In accordance with the terms of the plan, as approved by shareholders through Postal Ballot on 2nd December 2021, designated employees with the Company may be granted options to purchase equity shares.

Each employee share option converts into one equity share of the Company on exercise. Payment of the Exercise Price shall be made by a crossed cheque, or a demand draft drawn in favour of the Company or in such other manner as the Committee may decide from time to time. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time during the set exercise period. The Options not exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options. Options stands cancelled if the employee leaves the Company before the options vest.

Appraisal process for determining the eligibility of the Employees will be based on designation, criticality, high potential, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

A. The following table sets forth the particulars of the options outstanding as on March 31, 2023 under ESOP 2021:

Scheme	ESOP 2021	
	01-Feb-22	01-Feb-22
Date of Grant	01-Feb-22	01-Feb-22
Number of options granted *	41,283	83,817
Number of options outstanding *	38,907	78,993
Exercise price per option *	1,392	1,392
Fair value of option on grant date *	600.53	640.33
Vesting period	2 years from the date of grant	3 years from the date of grant
Exercise period	upto 31 st January, 2026	upto 31 st January, 2026

B. Details of the share options outstanding during the year are as follows:

Particulars	2022-23		2021-22	
	Number of share options	Weighted average exercise price (in ₹)	Number of share options	Weighted average exercise price (in ₹)
Outstanding at beginning of year	1,25,100	627.19	-	-
Granted during the year	-	-	1.25,100*	627.19*
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	(7,200)	-	-	-
Outstanding at the end of the year	1,17,900	627.19	1.25,100*	627.19*
Exercisable at the end of the year	-	-	-	-

The Company has recognised expenses of ₹ 0.99 Crore and ₹ 0.17 Crore related to equity-settled share-based payment transactions in 2022-23 and 2021-22 respectively on a net basis after considering recharge of ₹ 1.83 Crore and ₹ 0.32 Crore respectively from subsidiary companies for the grant of shares to the employees of subsidiary companies.

*Adjusted for Issue of Bonus shares. Refer Note 18d(1).

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 38 Financial Ratios

Ratios	Numerator	Denominator	As at 31.03.2023	As at 31.03.2022	% change
(a) Current Ratio (in times)	Total current assets	Total current liabilities	1.41	1.44	-2%
(b) Debt-Equity Ratio (*) (in times)	Debt consists of borrowings and lease liabilities	Total equity	0.48	0.31	51%
(c) Debt Service Coverage Ratio (*) (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	2.69	1.10	144%
(d) Return on Equity Ratio (*) (in %)	Profit for the year	Average total equity	17.17%	23.68%	-28%
(e) Inventory turnover ratio (in times)	Revenue from operations	Average Inventory	5.00	4.75	5%
(f) Trade Receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	6.75	6.96	-3%
(g) Trade payables turnover ratio (in times)	Total purchase	Average trade payables	3.16	3.78	-16%
(h) Net capital turnover ratio (in times)	Revenue from operations	Working capital	6.66	5.82	14%
(i) Net profit ratio (in %)	Profit for the year	Revenue from operations	9.21%	11.65%	-21%
(j) Return on Capital employed (*) (in %)	Profit before tax and finance cost	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	15.06%	24.11%	-38%
(k) Return on investment (*)	Market value at the end of the year - Market value at the beginning of the year	Market value at the beginning of the year	-2.39%	5.79%	-141%

(*)Explanation for change in ratio by 25%:

- Increase in Debt-Equity Ratio compared to Financial Year 21-22 is primarily due to increase in borrowings during the year.
- Increase in Debt Service Coverage Ratio compared to Financial Year 21-22 is primarily due to increase in net profit for the year.
- Decrease in Return on Equity Ratio compared to Financial Year 21-22 is primarily due to issue of equity shares.
- Decrease in Return on Capital employed compared to Financial Year 21-22 is primarily due to issue of equity shares.
- Decrease in Return on investment compared to Financial Year 21-22 is primarily due to a decrease in the share price of equity shares.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note : 39 Financial Instruments :

Note : 39.1 Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity. The primary objective of the Company's capital management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). The Company is not subject to any externally imposed capital requirement.

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Interest bearing loans and borrowings	331.14	127.87
(b) Less: cash and bank balance (including other bank balance)	38.17	15.34
(c) Net debt (a) - (b)	292.97	112.53
(d) Equity share capital	8.99	2.92
(e) Other equity	698.99	441.70
(f) Total equity (d) + (e)	707.98	444.62
(g) Total equity and net debt (c) + (f)	1000.95	557.15
(h) Gearing ratio (c)/(g)	29%	20%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

Note : 39.2 Categories of Financial Instruments :

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Financial Assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured		
(i) Investment in mutual fund	0.00	0.08
(b) Designated as at FVTPL		
(i) Investment in equity instruments	0.01	0.01
Measured at amortised cost		
(a) Cash and bank balances	38.17	15.34
(b) Other financial assets at amortised cost		
(i) Trade Receivables	197.43	121.01
(ii) Loans	0.44	0.12
(iii) Others	113.91	56.86
Financial Liabilities :		
Measured at amortised cost		
Borrowing	331.14	127.87
Lease Liabilities	5.50	11.97
Trade Payables	153.86	158.83
Others	20.15	18.41

Notes to Standalone Financial Statements

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Note : 39.3 Financial risk management objectives

The entity's corporate treasury function provides services to the business, coordinates access to domestic and international financial market, monitors and manages the financial risks relating to the operations of the entity through internal risk reports which analyse exposures by degree and magnitude of the risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

39.3.1 Market Risk management

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates, interest rates and underlying investment prices.

The entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and investment prices.

(a) Foreign currency exchange rate risk:

The Company's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Since a major part of the Company's revenue and its costs are in Indian Rupees, any movement in currency rates would not have major impact on the Company's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The carrying amount of Foreign Currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	(Liabilities)/Assets as at	
		₹ in Crore	
		31.03.2023	31.03.2022
Trade Payables	USD	(2.27)	(6.54)
	EUR	(4.06)	(0.99)
	CHF	(0.06)	(0.06)
	SGD	(0.09)	-
Borrowings	USD	(39.78)	(41.29)
Cash & Cash Equivalents	USD	9.80	8.24
	EUR	0.01	4.28
Trade Receivables	USD	20.38	15.94
	EUR	7.01	3.18
	CHF	6.10	0.04
	GBP	3.83	0.12

With respect to the Company's financial instruments (as given above), a 5% increase / decrease in relation to foreign currency rate on the underlying would have resulted in increase / decrease of ₹ 0.04 Crore and ₹ 0.85 Crore in the Company's profit before tax for the year ended March 31, 2023 and March 31, 2022 respectively.

(b) Interest rate risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Company are principally denominated in Indian Rupees and US dollars with mix of fixed and floating rates of interest. These exposures are reviewed by appropriate levels of management at regular interval.

The Company has outstanding borrowings of ₹ 331.14 Crore and ₹ 127.87 Crore at the end of March 31, 2023 and March 31, 2022 respectively. As at March 31, 2023, none of the Company's Borrowings are at fixed rate of interest (March 31, 2022 : 27.51%).

Notes to Standalone Financial Statements

for the year ended March 31, 2023

The impact of increase/decrease of 50 basis points in interest rates would result in increase/decrease of ₹ 1.29 Crore (₹ 0.64 Crore) in the Company's net profit before tax for the year ended March 31, 2023 and March 31, 2022 respectively.

(c) Other price risk

The Entity is exposed to price risks arising from its investments which are held for strategic as well as trading purposes.

The sensitivity analysis have been determined based on the exposure to price risks for Investments in equity shares of other companies and mutual funds at the end of the reporting period.

If prices had been 5% higher/lower:

Profit before tax for the year ended March 31, 2023 would increase/decrease by ₹ 0.00# Crore (for the year ended March 31, 2022 by ₹ 0.01 Crore) as a result of the change in fair value of investments.

Amount less than ₹ 50,000

39.3.2 Credit risk management

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables.

All trade receivables are subject to credit risk exposure. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company does not have significant concentration of credit risk related to trade receivables except the details given below for the customers contribute to more than 5% of total outstanding accounts receivable as at any reporting period end.

Customer Name	Year Ended 31.03.2023		Year Ended 31.03.2022	
	% of total receivables	Amount (in INR)	% of total receivables	Amount (in INR)
	Deccan Fine Chemicals (I) Private Limited	21%	55.41	8%
Larsen & Toubro Limited	12%	31.51	10%	15.56
Lyfius Pharma Private Limited	5%	13.81	0%	-
Grasim Industries Limited	5%	13.15	0%	0.67
Vedanta Limited	3%	8.96	5%	7.46
Tata Projects Ltd	0%	0.27	7%	11.33
GMM Pfaudler Us Inc.	3%	8.65	7%	10.04

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 349.95 Crore and ₹ 193.43 Crore as at March 31, 2023 and March 31, 2022 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.

39.3.3 Liquidity risk management:

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company 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.

Notes to Standalone Financial Statements

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The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Entity can be required to pay. The table below include only principal cash flows in relation to non-derivative financial liabilities.

(₹ in Crore)			
Particulars	Up to 1 year	1 to 5 years	5 years and above
As at 31st March, 2023			
Trade payable	153.86	-	-
Other Financial Liabilities	20.15	-	-
Borrowings	114.74	216.40	-
Lease Liabilities	5.46	0.35	-
Total	294.21	216.75	-
As at 31st March, 2022			
Trade payable	158.83	-	-
Other Financial Liabilities	18.41	-	-
Borrowings	27.25	100.62	-
Lease Liabilities	7.80	5.55	-
Total	212.29	106.17	-

The following table details the Company'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 Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ in Crore)			
Particulars	Up to 1 year	1 to 5 years	5 years and above
As at 31st March, 2023			
Investments	-	0.01	-
Trade receivables	197.43	-	-
Cash & cash equivalents	36.25	-	-
Bank balances other than above	1.92	-	-
Current financial assets - loans	0.44	-	-
Other financial assets	103.67	10.24	-
Total	339.71	10.25	-
As at 31st March, 2022			
Investments	0.08	0.01	-
Trade receivables	121.01	-	-
Cash & cash equivalents	14.74	-	-
Bank balances other than above	0.60	-	-
Current financial assets - loans	0.12	-	-
Other financial assets	52.42	4.44	-
Total	188.97	4.45	-

Notes to Standalone Financial Statements

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Note : 40 Fair Value Measurements

This note provides information about how the Company determines fair values of various financial assets.

Fair Value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis:

Financial Assets / Financial Liabilities	Fair Value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)
	31.03.2023	31.03.2022		
1. Investments in Mutual Funds (Note 10)	-	0.08	Level 1	Quoted bid prices in an active market
2. Investments in equity instruments (Unquoted) (Note 10)	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

Note 1: Significant unobservable inputs for Financial Instruments classified under "Level - 3" Fair Value hierarchy are Net Assets of the investee Company as on the date of Fair Valuation.

Note 2: Reconciliation of Level 3 fair value measurements:

(₹ in Crore)	
Particulars	Unlisted Equity Instrument
Opening Balance as at April 01, 2021	0.00
Investment made during the year	0.01
Total Gain/(Loss) in statement of Profit & Loss	-
Closing Balance as at March 31, 2022	0.01
Opening Balance as at April 01, 2022	0.01
Investment made during the year	-
Total Gain/(Loss) in statement of Profit & Loss	-
Closing Balance as at March 31, 2023	0.01

Note : 41 Related Party Disclosures

(I) List of Related parties

(a) Subsidiaries:

GMM International S.a.r.l	
Mavag AG	
GMM Pfaudler Foundation	w.e.f March 08, 2022
Pfudler GMBH	
Edlon Inc.	
Pfudler s.r.l.	
Pfudler Limited	
Pfudler LtdA	
Pfudler Services Benelux B.V	
Pfudler Normag Systems Gmbh	
Pfudler (Chang Zou) Process Equipment Company Limited	
Pfudler Interseal GMBH	
Glasteel Parts and Services, Inc.	
Pfudler Private Limited	
Pfudler S.A. de C.V.	
Pfudler France S.à r.l.	
Hydro Air Research Italia S.r.l	w.e.f August 03, 2022
Mixel France SAS	w.e.f February 02, 2023
Mixel Agitator Co. Limited	w.e.f February 02, 2023
GMM Pfaudler US Inc.	
GMM Pfaudler JDS LLC	w.e.f November 28, 2022

Subsidiary of GMM International S.a.r.l

Notes to Standalone Financial Statements

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(b) Key management personnel:		
Mr. Tarak Patel	Managing Director	
Mr. Aseem Joshi	Chief Executive Officer	
Mr. Manish Poddar	Chief Financial Officer	
Ms. Mittal Mehta	Company Secretary	
Mr. Ashok Pillai	Chief Operating Officer	Upto March 31, 2022
Dr. S. Sivaram	Non-Executive - Independent Director	Upto September 19, 2022
Mr. Ashok Patel	Non-Executive Director	
Mr. Nakul Toshniwal	Non-Executive, Independent Director	
Ms. Bhawana Mishra	Non-Executive, Independent Director	
Mr. Vivek Bhatia	Non-Executive, Independent Director	
Mr. Harsh Gupta	Non-Executive Director	
Mr. Malte Woweries	Non-Executive Director	
Mr. Prakash Apte	Non-Executive, Independent Director	w.e.f May 25, 2022
(c) Relative of Key management personnel:		
Mrs. Urmi Patel	Mother of Mr. Tarak Patel	
Mrs. Uttara Gelhaus	Sister of Mr. Tarak Patel	
Mrs. Payal Patel	Wife of Mr. Tarak Patel	
Mrs. Pragna Patel	Sister of Mr. Ashok Patel	
Mrs. Panna Patel	Sister of Mr. Ashok Patel	
(d) Entities having significant influence over the Company:		
Pfaudler Inc.		Upto December 16, 2022
(e) Enterprises over which key managerial personnel have significant influence:		
Skyline Millars Limited		
Ready Mix Concrete Limited		
Ashok J Patel - HUF		
A J Patel Charitable Trust		
J V Patel & Co.		
Prestige Tefparts Private Limited		
Millars Machinery Company Private Limited		
Millars Concrete Technologies Private Limited		
Solaris Chemtech Industries Limited		
DECBectochem Engineering Private Limited		
Uttarak Enterprises Private Limited		

Notes to Standalone Financial Statements

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Particulars	(₹ in Crore)							
	Subsidiaries		Key Management Personnel		Relative of Key Management Personnel		Other Related Parties	
	For the Year ended 31.03.2023	For the Year ended 31.03.2022	For the Year ended 31.03.2023	For the Year ended 31.03.2022	For the Year ended 31.03.2023	For the Year ended 31.03.2022	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Transactions during the year								
Purchase of goods	14.51	10.43	-	-	-	-	0.04	0.06
Sale of goods	134.19	65.93	-	-	-	-	0.15	1.96
Services received	0.45	0.04	-	-	-	-	0.02	0.08
Services provided	0.41	-	-	-	-	-	-	-
Royalty	4.65	4.26	-	-	-	-	-	-
Lease Rent paid	-	-	-	-	-	-	5.56	6.03
Remuneration and Commission**	-	-	14.51	14.55*	-	-	-	-
Dividend paid	-	-	0.10	0.09	0.40	0.27	4.32	0.27
Directors Sitting Fees	-	-	0.90	0.73	-	-	-	-
Investments	343.77	0.01	-	-	-	-	-	-
Contribution for Corporate Social Responsibility	2.22	-	-	-	-	-	-	-
Issue of shares for consideration other than cash against purchase of investment (Refer Note 18d(2))	-	-	-	-	-	-	170.40	-
Reimbursement of Share based payment expense	1.83	0.32	-	-	-	-	-	-
Balance outstanding#								
Payables	17.07	12.95	6.29	7.04	-	-	0.04	1.53
Receivables	30.54	15.61	-	-	-	-	0.02	-
Advances received	16.05	38.16	-	-	-	-	-	-
ESOP receivable	2.15	0.32	-	-	-	-	-	-
Advance given	0.44	1.87	-	-	-	-	-	-
Investments	494.83	151.06	-	-	-	-	-	-
Deposit outstanding	-	-	-	-	-	-	2.42	2.42

Balance outstanding are exclusive of unrealised foreign exchange gain / (loss)
 * Remuneration of ₹ 0.61 Crore was paid to Managing Director in respect of GMM International s.a.r.l which relates to financial year 2020-21 which was approved by shareholders at the Annual General Meeting conducted on August 13, 2021.
 ** Remuneration disclosed above is approved by Nomination and Remuneration Committee (NRC).

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(III) Significant Related Party Transactions are as under:

Nature of transactions	Name of Party	(₹ in Crore)	
		Year Ended 31.03.2023	Year Ended 31.03.2022
Transactions during the year			
Purchase of goods	Pfudler Gmbh	2.49	2.06
	Pfudler Interseal Gmbh	2.62	2.19
	Pfudler Limited	0.01	3.32
	Pfudler Normag Systems Gmbh	5.97	0.38
Sale of goods	Mavag AG	22.85	29.05
	Pfudler Gmbh	14.23	4.48
	GMM Pfudler US Inc.	67.28	23.15
	Pfudler (Chang Zou) Process Equipment Company Limited	13.54	2.84
Services received	GMM Pfudler US Inc.	0.38	-
	Millars Concrete Technologies Private Limited	-	0.08
	GMM International S.a.r.l	0.03	0.03
Services provided	GMM Pfudler US Inc.	0.18	-
	Pfudler Gmbh	0.15	-
	Mavag AG	0.07	-
Lease rent paid	Ready Mix Concrete Limited	2.77	2.92
	J V Patel & Co.	2.56	2.86
Royalty	GMM Pfudler US Inc.	4.65	4.26
Remuneration paid	Mr. Tarak Patel	9.86	10.69
	Mr. Aseem Joshi	2.13	0.92
Dividend paid	Pfudler Inc.	2.87	2.39
	Millars Machinery Company Private Limited	0.78	-
Investments	GMM International S.a.r.l	343.77	-
	GMM Pfudler Foundation	-	0.01
Issue of shares for consideration other than cash against purchase of investment (Refer Note 18d(2))	Millars Concrete Technologies Private Limited	170.40	-
Reimbursement of share based payment	GMM International S.a.r.l	0.33	0.05
	GMM Pfudler US Inc.	0.22	0.06
	Pfudler GmbH	0.28	0.06

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Crore)

Nature of transactions	Name of Party	(₹ in Crore)	
		Year Ended 31.03.2023	Year Ended 31.03.2022
Contribution for Corporate Social Responsibility.	GMM Pfudler Foundation	2.22	-
Balances outstanding as at year end			
Payables	GMM Pfudler US Inc.	12.96	7.78
	Pfudler Limited	-	3.32
Receivables	Mavag AG	7.80	1.91
	Pfudler s.r.l.	3.35	0.74
	Pfudler (Chang Zou) Process Equipment Company Limited	3.89	0.34
	Pfudler Limited	3.80	0.12
	GMM Pfudler US Inc.	8.65	10.04
ESOP receivable	GMM International S.a.r.l	0.38	0.05
	GMM Pfudler US Inc.	0.28	0.06
	Pfudler GmbH	0.33	0.06
Advance received	Mavag AG	5.62	7.01
	GMM Pfudler US Inc.	0.35	30.49
	Pfudler (Chang Zou) Process Equipment Company Limited	9.58	-
Deposit outstanding	Ready Mix Concrete Limited	1.23	1.23
	JV Patel & Co.	1.14	1.14
Investment	GMM International S.a.r.l	473.43	129.66
Advance given	Pfudler Normag System Gmbh	0.44	1.87
Key Managerial personnel			
Payable	Mr. Tarak Patel	5.33	6.15
	Mr. Aseem Joshi	0.67	0.24

Compensation of Key Managerial Personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Short-term employee benefits	15.10	12.52
Post-employment benefits	0.29	2.72
Other long-term benefits	0.02	0.04
Total	15.41	15.28

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, 2023

Note : 42 Corporate Social Responsibility (CSR) Expenditure

Expenditure related to CSR as per section 135 of Companies Act, 2013 read with Schedule VII thereof, against the mandatory spend of ₹ 2.22 Crores is as follows: (₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
a) Amount required to be spent by the Company during the year	2.22	1.77
b) Amount of expenditure incurred:		
i) Construction/acquisition of any assets	1.15	0.41
ii) On the purpose other than (i) above	1.07	1.36
c) Shortfall at the end of the year (a-b)	-	-
d) Total of previous years shortfall if any and reason for shortfall	-	-
e) Nature of CSR activities	Promoting rural healthcare, skill development, environment sustainability and education.	
f) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

Note : 43 Earnings per Share

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
The following reflects the profit and share data used in the Basic and Diluted EPS computation:		
Net profit attributable to Equity shareholders (₹ in Crore)	98.94	94.96
Weighted average number of Equity shares in calculating basic EPS (a)	4,44,10,932	4,38,52,500
Add: Effect of Employee stock option (b)	15,857	9,446
Weighted average number of Equity Shares in calculating Diluted EPS (a+b)	4,44,26,789	4,38,61,946
Face value of Equity Share in ₹	2	2
Earnings per share (Basic) ₹	22.28	21.65
Earnings per share (Diluted) ₹	22.27	21.65

Pursuant to the issue of Bonus shares, as per the Ind AS 33 - Earnings per share, the calculation of basic and diluted earnings per share for the year ended March 31, 2022 have been adjusted and restated (Refer Note 18d(1)).

Note : 44 Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2022-23, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
(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	0.67	2.70
Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 45 The Company publishes Standalone financial statements along with the Consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the audited consolidated financial statements for year ended March 31, 2023.

Note 46 Proposed Dividend:

The Board of Directors, in their meeting held on May 25, 2023 have recommended a final dividend of ₹ 1 per share, subject to approval by shareholders of the Company.

Note 47 The financial statements for the year ended March 31, 2023 were approved for issue by the Board of Directors on May 25, 2023.

Note 48 No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- Crypto currency or virtual currency
- Undisclosed income
- Struck off Companies
- Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- Relating to borrowed funds:
 - Wilful defaulter
 - Utilization of borrowed funds
 - Discrepancy in utilization of borrowings
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign

Notes to Standalone Financial Statements

for the year ended March 31, 2023

entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.

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

Prakash Apte
Chairman
DIN: 00196106
Mumbai, May 25, 2023

Tarak Patel
Managing Director
DIN: 00166183
Mumbai, May 25, 2023

Manish Poddar
Chief Financial Officer
FCA 098238
Mumbai, May 25, 2023

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 25, 2023

Independent Auditor's Report

To The Members of GMM Pfaudler Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **GMM Pfaudler Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, 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 (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>The Group generates its revenue from customer specific contracts where performance obligations are satisfied over a period of time. These contracts are accounted based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue is thus dependent on estimates in relation to total estimated costs of each contract.</p> <p>This area is considered as key audit matter due to the size of revenue generated from customer specific contracts. Furthermore, accounting for the contracts involves both judgement, in assessing whether the criteria set out in the Ind AS 115 "Revenue from contracts with the customers" have been met, and estimates, related to future costs, the final outcome of the contract and the stage of completion.</p> <p>Contingencies related to cost in the estimates are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate.</p>	<p>Principal audit procedure performed</p> <p>As Principal auditors, we had issued written communication to the auditors of the overseas components ('Other Auditors') for audit procedures to be performed by them.</p> <p>The procedures performed by us at the Parent level and the Other Auditors at the Component level, as reported by them, have been provided below:</p> <ul style="list-style-type: none"> obtained an understanding of the methodology applied, the internal processes and the key controls used to determine the estimates, related to future costs, final outcome of the contract and the stage of completion. evaluated the processes and IT systems used to record actual costs incurred, tested the manual controls and automated controls implemented in the IT systems. 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. obtained and reviewed contract list and calculation and tested the calculation of stage of completion including the cost incurred and recorded against the contract for occurrence and accuracy, assessing the basis for determining the costs to complete and total contract cost on sample basis and re performing the percentage of completion calculation. challenged management in respect of the reasonableness of estimates made regarding the cost to complete contract and the timing of recognition of orders. assessed whether management's policies and processes for making these estimates continue to be appropriate and are applied consistently over time and to contracts of a similar nature. <p>Additionally, audit oversight procedures carried out by us over the work performed by the Other Auditors consisted of :</p> <ol style="list-style-type: none"> Reviewing a written summary of the audit procedures performed by the Other Auditors. Discussing with the Other Auditors and the management of the component/ Parent to understand the basis of identification of the performance obligations and determination of timing of revenue recognition.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report, 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.

Responsibilities of Management and Those Charged with Governance 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 Management of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent 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 21 subsidiaries, whose financial statements reflect total assets of Rs. 2,787.89 crore as at March 31, 2023, total revenues of Rs. 2,310.23 crore and net cash outflows amounting to Rs. 0.35 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent as on March 31, 2023 taken on record by the Board of Directors of the Company, none of the directors of the Parent is disqualified as on March 31, 2023 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 with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness

of internal financial controls with reference to consolidated financial statements of Parent.

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

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

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

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

- ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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.

- iv) (a) The Managements of the Parent, whose financial statements have been audited under the Act, have represented that, to the best of their knowledge and belief, as disclosed in the note 51 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Managements of the Parent, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the note 51 to the consolidated financial statements, no funds have been received by the Parent from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Parent during the year and until the date

of this report is in accordance with section 123 of the Act, as applicable.

As stated in note 48 to the consolidated financial statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. With respect to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the audit report under section 143 issued by us and the auditors of respective companies included in the consolidated financial statements, as provided to us by the Management of the Parent, we report that CARO is applicable only to the Parent and not to any other company included in the consolidated financial statements. We have not reported any qualification or adverse remark in the CARO report of the Parent.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

Hardik Sutaria
Partner
(Membership No. 116642)
UDIN: 23116642BGWGAS5291

Place: Mumbai

Date: May 25, 2023

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 with reference to consolidated financial statements 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, 2023, we have audited the internal financial controls with reference to consolidated financial statements of GMM Pfaudler Limited (hereinafter referred to as "Parent"), as of that date. The Parent had 20 subsidiary companies incorporated outside India and reporting on the adequacy and operating effectiveness on internal financial control over financial reporting is not applicable to those subsidiary companies.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods

are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

Hardik Sutaria
Partner
(Membership No. 116642)
UDIN: 23116642BGWGAS5291

Place: Mumbai
Date: May 25, 2023

Consolidated Balance Sheet

as at March 31, 2023

(₹ in Crore)

Particulars	Note	As at 31.03.2023	As at 31.03.2022
ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipment	6	412.21	381.75
(b) Right of Use Assets	7	205.70	165.35
(c) Capital work-in-progress	8 (A)	13.33	12.59
(d) Goodwill		149.26	66.18
(e) Other Intangible Assets	9	446.10	388.48
(f) Intangible assets under development	8 (B)	-	0.39
(g) Financial Assets			
(i) Investments	10	0.01	0.01
(ii) Loans	11	1.53	1.82
(iii) Others	12	8.40	4.78
(h) Deferred Tax Assets (Net)	24	11.74	10.18
(i) Non-current Tax Assets (Net)	13	-	0.42
(j) Other non-current assets	14	36.40	6.97
		1,284.68	1,038.92
(2) Current Assets			
(a) Inventories	15	770.94	669.53
(b) Financial Assets			
(i) Investments	10	-	0.08
(ii) Trade Receivables	16	435.53	356.23
(iii) Cash & Cash Equivalents	17	311.48	290.58
(iv) Bank balances other than (iii) above	17	60.13	37.16
(v) Loans	11	0.74	0.42
(vi) Others	12	290.73	88.41
(c) Other current assets	14	200.31	119.07
Assets classified as held for sale	18	-	127.17
		2,069.86	1,688.64
Total Assets		3,354.54	2,727.57
EQUITY & LIABILITIES			
Equity			
(a) Equity Share Capital	19	8.99	2.92
(b) Other Equity	20	795.04	524.19
Equity attributable to equity holders of the Parent (A)		804.03	527.11
Non-Controlling interests (B)	45	11.24	141.28
Total equity (A+B)		815.27	668.39
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	640.92	449.62
(ii) Lease liabilities	22	143.19	109.37
(b) Provisions	23	292.91	365.36
(c) Deferred tax liabilities (Net)	24	70.77	48.82
(d) Other non-current liabilities	25	0.78	15.25
		1,148.57	988.42
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	156.01	55.31
(ii) Lease liabilities	22	32.52	21.50
(iii) Trade payables due to			
Micro & small enterprises	26	0.67	2.70
Other than micro & small enterprises	26	536.06	388.49
(iv) Others	27	49.69	35.22
(b) Other current liabilities	25	427.28	414.83
(c) Provisions	23	179.08	125.74
(d) Current tax liabilities (Net)	13	9.39	4.95
Liabilities directly associated with assets classified as held for sale	18	-	22.02
		1,390.70	1,070.76
Total Equity & Liabilities		3,354.54	2,727.57

The accompanying notes are an integral part of these financial statements

As per our report of even date annexed

For **Deloitte Haskins & Sells**
Chartered Accountants

Hardik Sutaria
Partner

Mumbai
Date: May 25, 2023

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

Prakash Apte
Chairman
DIN: 00196106
Mumbai, May 25, 2023

Manish Poddar
Chief Financial Officer
FCA 098238
Mumbai, May 25, 2023

Tarak Patel
Managing Director
DIN: 00166183
Mumbai, May 25, 2023

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 25, 2023

Consolidated Statement of Profit & Loss

for the year ended March 31, 2023

Particulars	Note	Year Ended	
		31.03.2023	31.03.2022
(₹ in Crore)			
Income:			
Revenue from Operations	28	3,177.55	2,540.57
Other Income	29	51.69	6.73
Total Income		3,229.24	2,547.30
Expenses:			
Cost of materials consumed	30	1,317.14	1,044.53
Changes in inventories of finished goods and work in progress	31	(35.59)	(30.63)
Employee benefits expense	32	791.55	713.40
Finance cost	33	66.57	24.60
Depreciation and amortisation expense	6,7&9	119.45	132.62
Labour charges		97.96	72.71
Other expenses	34	575.34	456.69
Total Expenses		2,932.42	2,413.92
Profit before exceptional items and tax		296.82	133.38
Exceptional items	49	21.58	-
Profit before tax		275.24	133.38
Tax expenses:			
Current tax		82.24	58.00
Excess provision for Tax relating to prior years		(0.68)	(0.58)
Deferred tax		(19.82)	0.60
		61.74	58.02
Profit for the year		213.50	75.36
Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
(i) Actuarial Gain / (Loss) on gratuity and pension obligations		130.00	78.93
(ii) Income tax relating to items that will not be reclassified to profit or loss		(30.27)	(20.31)
(B) Items that may be reclassified to profit or loss			
(i) Exchange difference in translating the financial statements of foreign components		7.78	14.56
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (A + B)		107.51	73.18
Total Comprehensive Income for the year		321.01	148.54
Profit attributable to:			
Equity Holders of the Parent		166.63	85.05
Non-Controlling interests		46.87	(9.69)
Other Comprehensive Income attributable to:			
Equity Holders of the Parent		97.83	42.63
Non-Controlling interests		9.68	30.55
Total Comprehensive Income attributable to:			
Equity Holders of the Parent		264.46	127.68
Non-Controlling interests		56.55	20.86
Earnings Per Equity Share:	43		
Basic		37.52	19.39
Diluted		37.51	19.39
Basis of preparation, measurement and significant accounting policies	3,4&5		

As per our report of even date annexed

For **Deloitte Haskins & Sells**
Chartered Accountants

Hardik Sutaria
Partner

Mumbai
Date: May 25, 2023

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

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Chairman
DIN: 00196106
Mumbai, May 25, 2023

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Mumbai, May 25, 2023

Tarak Patel
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DIN: 00166183
Mumbai, May 25, 2023

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 25, 2023

Consolidated Statement of Cash Flow

for the year ended March 31, 2023

Particulars	Note	Year Ended	
		31.03.2023	31.03.2022
(₹ in Crore)			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		275.24	133.38
Adjustments for:			
Depreciation and amortisation expense		119.45	132.62
Net gain on disposal of Property, Plant & Equipment including asset held for sale		(22.68)	(0.50)
Net loss on current investments designated as fair value through profit or loss		0.07	0.14
Net gain on sale of current investments		(0.08)	-
Interest income		(0.05)	(0.22)
Interest and financial charges		66.57	24.60
Share-based payment to employees		2.82	0.49
Provision for doubtful debts, liquidated damages and advances		7.43	0.51
Provision for warranty		13.38	0.19
Exceptional items		21.58	-
Unrealised foreign exchange fluctuation (gain) / loss		(5.52)	21.67
Operating profit before working capital changes		478.21	312.88
Adjustments for :			
Increase in Inventories		(61.88)	(122.07)
Increase in Trade receivable, loans and other financial & non financial assets		(298.53)	(131.60)
Increase in trade payables, provisions and other financial & non financial liabilities		141.46	249.04
Cash generated from operations		259.26	308.25
Direct taxes paid		(74.51)	(71.86)
Net cash generated from operating activities	A	184.75	236.39
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment, including intangible assets		(68.84)	(131.66)
Payment towards acquisition of non controlling interests including transaction costs		(177.39)	-
Payment towards acquisition of business		(86.46)	(0.01)
Proceeds from sale of Property, Plant and Equipment including asset held for sale		45.40	2.89
Proceeds from sale of current investments		0.09	0.45
Fixed deposits placed with banks (net)		(23.99)	-
Proceeds from fixed deposits (net)		-	11.55
Interest received		0.05	0.22
Net cash used in investing activities	B	(311.14)	(116.56)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from short term borrowings		330.55	69.55
Repayment of short term borrowings		(276.00)	(84.39)
Proceeds from long term borrowings		235.68	61.40
Repayment of long term borrowings		(64.19)	(51.18)
Interest paid		(57.83)	(18.79)
Dividend paid		(8.95)	(7.20)
Payment of lease liabilities		(29.37)	(24.71)
Net cash generated from / (used in) financing activities	C	129.89	(55.32)
NET INCREASE IN CASH & CASH EQUIVALENTS	A+B+C	3.50	64.51

Consolidated Statement of Cash Flow (contd.)

for the year ended March 31, 2023

Particulars	Note	Year Ended	
		31.03.2023	31.03.2022
Cash and Cash equivalents, at the beginning of the year		290.58	243.47
Cash and bank balances included in assets held for sale at the beginning of the year (Refer Note 18)		17.40	-
Cash and bank balances included in assets held for sale at the end of the year (Refer Note 18)		-	(17.40)
Cash and Cash equivalents, at the end of the year		311.48	290.58
COMPONENTS OF CASH AND BANK BALANCES			
Cash and stamps on hand		0.21	0.21
Cash and cash equivalent			
Balances with banks			
- In current accounts		311.27	290.30
- In deposit accounts with maturity less than three months		-	0.07
Total		311.48	290.58

Disclosure as per para 44A as set out in Ind AS 7 on cash flow statement under companies (Indian Accounting Standards) Rules, 2015 (as amended):

Particulars of liabilities arising from financing activities	Note No.	Year ended 31.03.2022	Non cash changes			Impact due to Business Combination and asset held for sale	Year Ended 31.03.2023
			Net cash flows	Other changes*	Impact due to Ind AS 116		
Borrowings:							
Long term borrowings including current maturities of long term borrowing	0	504.93	171.49	36.50	-	29.46	742.38
Short term borrowings	0	-	54.55	-	-	-	54.55
Interest accrued on borrowings	27	1.44	(57.83)	60.69	-	-	4.31
Lease liabilities	22	130.87	(29.37)	11.63	44.54	18.04	175.71

* The same relates to amount charged in Statement of Profit & Loss.

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

As per our report of even date annexed

For **Deloitte Haskins & Sells**
Chartered Accountants

Hardik Sutaria
Partner

Mumbai
Date: May 25, 2023

For and on behalf of the Board of Directors of **GMM Pfaunder Limited**

Prakash Apte
Chairman
DIN: 00196106
Mumbai, May 25, 2023

Manish Poddar
Chief Financial Officer
FCA 098238
Mumbai, May 25, 2023

Tarak Patel
Managing Director
DIN: 00166183
Mumbai, May 25, 2023

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 25, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

Particulars	Equity Share Capital		Other Equity		Total Equity
	Amount	(₹ in Crore)	Amount	(₹ in Crore)	
Balance at March 31, 2021	2.92	-	2.92	-	2.92
Changes in Equity Share capital during the year					
Balance at March 31, 2022	2.92	-	2.92	-	2.92
Changes in Equity Share capital during the year					
Balance at March 31, 2023	6.07	-	6.07	-	6.07

Particulars	Equity Share Capital		Other Equity		Total Equity
	Amount	(₹ in Crore)	Amount	(₹ in Crore)	
Balance at April 1, 2021	14.93	21.93	0.07	363.76	403.32
Profit for the year	-	-	85.05	-	85.05
Movement during the year in Foreign Currency Translation Reserve	-	-	-	9.22	9.22
Total comprehensive income for the year	-	-	33.42	33.42	33.42
Payment of dividends	-	-	(118.47)	-	(118.47)
Add / (Less): Transfer to general reserve	-	-	(2.11)	-	(2.11)
Add: Issue of Shares under Employee Stock Option Scheme	-	-	-	0.49	0.49
Add / (Less): Other adjustments	-	-	-	-	-
Balance at March 31, 2022	14.93	24.04	0.07	472.81	524.19
Balance at April 1, 2022	14.93	24.04	0.07	472.81	524.19
Profit for the year	-	-	166.63	-	166.63
Movement during the year in Foreign Currency Translation Reserve	-	-	-	66.55	66.55
Total comprehensive income for the year	-	-	233.18	233.18	233.18
Less: Payment of dividends	-	-	(8.89)	-	(8.89)
Less: Utilization on issue of bonus shares	-	-	(5.85)	-	(5.85)
Add: Premium on issue of shares pursuant to acquisition	-	-	170.18	-	170.18
Less: Acquisition of balance stake in GMM International S.a.r.l from Non-Controlling interests	-	-	(151.87)	-	(151.87)
Add: Issue of Shares under Employee Stock Option Scheme	-	-	-	2.82	2.82
Add: Share of Non-Controlling interests in JDS Manufacturing Inc	-	-	-	-	-
Add / (Less): Other adjustments	-	-	-	-	-
Balance at March 31, 2023	14.93	24.04	0.07	545.23	579.04

As per our report of even date annexed

For **Deloitte Haskins & Sells**
Chartered Accountants

Hardik Sutaria
Partner

Mumbai
Date: May 25, 2023

For and on behalf of the Board of Directors of **GMM Pfaunder Limited**

Prakash Apte
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Mumbai, May 25, 2023

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 25, 2023

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

1 Corporate information

GMM Pfaudler Limited (the Company/Parent), together with its subsidiaries are pioneers in manufacturing of corrosion resistant technologies, system and related services catering to the specific needs of customers in the chemical, pharmaceutical and allied industries. The group also manufactures fluoropolymer products and other chemical process equipment such as agitated nutsche filters, filter driers, wiped film evaporators and mixing systems. The equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE).

The consolidated financial statements comprise financial statements of the Parent Company GMM Pfaudler Limited and its subsidiary companies (together referred to as "Group").

The subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of Company	Country of Incorporation	% of Holding	
			Current Year	Previous Year
1	Mavag AG	Switzerland	100%	100%
2	GMM International S.a.r.l	Luxembourg	100%	54%
3	Pfudler GmbH	Germany	100%	54%
4	Pfudler Normag Systems GmbH	Germany	100%	54%
5	Pfudler Interseal GmbH	Germany	100%	54%
6	Pfudler France S.à r.l.	France	100%	54%
7	Mixel France SAS	France	100%	-
8	Mixel Agitator Company Limited	China	100%	-
9	Pfudler s.r.l.	Italy	100%	54%
10	Hydro Air Research Italia S.r.l	Italy	100%	-
11	Pfudler Limited	UK	100%	54%
12	Pfudler services Benelux B.V.	Netherlands	100%	54%
13	Pfudler Private Limited	Singapore	100%	54%
14	Pfudler Ltda.	Brazil	100%	54%
15	Pfudler SA de CV	Mexico	100%	54%
16	Pfudler (Chang Zhou) Process Equipment Company Limited	China	100%	54%
17	GMM Pfudler US Inc	USA	100%	54%
18	Edlon, Inc.	USA	100%	54%
19	GMM Pfudler JDS LLC	USA	51%	-
20	Glasteel Parts and Services, Inc.	USA	100%	54%
21	GMM Pfudler Foundation	India	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, 2023.

2 Statement of compliance

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

3 Basis of Preparation of Consolidated Financial Statements

a) Basis of preparation and presentation

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

b) Functional and Presentation Currency

The consolidated financial statements are presented in Indian Rupees, which is the functional currency of the Parent Company. All the amounts are stated in the nearest Rupee Crore.

4 Significant Accounting Policies

a) Basis of Consolidation:

The consolidation of the accounts of the holding company with the subsidiaries is prepared in

accordance with Ind AS 110 – 'Consolidated Financial Statements'.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Profit or loss and each component of other comprehensive income is attributable to owners of the company only. The financial statements of the parent company and its subsidiaries are consolidated on line-by-line basis by adding together like items of assets, liabilities, income and expenses. All intra-group balances, intra-group transactions and unrealized profits or losses in intra-group balances are fully eliminated.

b) Use of Estimates:

The preparation of consolidated financial statements are in conformity with the recognition and measurement principles of Ind AS which requires management to make critical judgments, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and future periods are affected.

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

1. Useful lives of property, plant and equipment (refer note no. 4.e)
2. Provision for old and obsolete inventory (refer note no. 4.h)
3. Provision for Warranty Expense (refer note no. 4.k)
4. Employee benefits (refer note no. 4.l)
5. Expense Provisions & contingent liabilities (refer note no. 4.o)
6. Provision for Doubtful Trade Receivables (refer note no. 4.i7)
7. Valuation of deferred tax assets (refer note no. 4.p)
8. Impairment of Goodwill (refer note no. 4.d)
9. Lease (refer note no. 4. n)

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

c) Property, Plant and Equipment and Intangible Assets

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all expenses related to the acquisition and installation of Property, Plant and Equipment which comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses.

Machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant class of assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital Work in Progress

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost comprises direct cost, related incidental expenses and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit & loss.

Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

d) Business combination and Goodwill

Business combination

Business Combination is accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed out in statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition is recognized at their fair values at the acquisition date. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

e) Depreciation and Amortisation, Useful life of Property, Plant & Equipment and Intangible Assets

Depreciation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Name of Assets	Useful life
A) Burning Scaffold and Pilot Plant (included under Plant & Machinery)	3 years
B) Telephones (included under Office Equipment)	3 years
C) Vehicles	6 years
D) Solar Power Plant	10 years

Items costing less than ₹ 5000/- are fully depreciated in the year of put to use/purchase. Leasehold improvements are amortized equally over the period of lease.

Amortisation:

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Name of Assets	Useful life
A) Computer Software	3-6 years
B) Technical Knowhow	3 years
C) Backlog	1 years
D) Process Knowhow	10 years
E) Non- Compete agreement	3 years
F) Technology	20 years
G) Trademark	20 years
H) Customer Relationships	20 years
I) Other Intangibles (Order backlog and POC)	8 -17 months

f) Asset Impairment

The Group assesses at each reporting date using external and internal sources, whether there is an indication that an asset may be impaired.

An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

g) Foreign Exchange Transactions and Translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognized as income or expense of the period in which they arise. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing rate. The resultant exchange rate differences are recognized in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction.

Foreign Operations

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

h) Inventories

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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

i) Financial Instruments

i) 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.

ii) 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.

iii) 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.

iv) 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.

v) Loan & Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate method (EIR). Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

vi) 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.

vii) 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.

viii) Impairment of financial assets

At each balance sheet date, the Group assesses whether a financial asset is to

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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

j) Revenue Recognition

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

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, acceptance of delivery by the customer, etc.

In respect of fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting based on the progress towards complete satisfaction of the performance obligation of the contract at the reporting date. The progress is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the costs incurred up to the end of reporting period and costs to complete as a percentage of total estimated costs in the contract.

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

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

Other Income:

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

Interest income is recognized on accrual basis.

k) Product Warranty Expenses

Provision is made in the consolidated financial statements for the estimated liability on account of costs that may be incurred on products sold under warranty. The estimates for the costs to be incurred for providing free service under warranty are determined based on historical information, past experience, average cost of warranty claims that are provided for in the year of sale.

l) Employee Benefits

Employee benefits include provident fund, superannuation fund, family pension fund, medical plan, gratuity fund, compensated absences, Partial or Early Retirement and Incentives.

Defined contribution plans

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

Defined benefit plans

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

Notes to Consolidated Financial Statements

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is recognised in statement of profit & loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

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

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

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

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

Share-based payment transactions of the group

Certain eligible Employees of the Group receive remuneration in the form of share-based

payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. The Parent raises recharge invoices to subsidiaries for the shares granted to the respective subsidiaries' employees based on

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

the fair value of the options determined on grant date and netted of against the share-based payment expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

m) Operating Expenses

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

n) Leases

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less

any lease incentives. They are subsequently measured at cost less accumulated amortisation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

o) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability is not recognized but its existence is disclosed in the financial statements. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable in the financial statements.

p) Taxation

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

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with tax laws applicable in jurisdictions where such operations are domiciled.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Any deferred tax asset or liability arising from deductible or taxable temporary differences in respect of unrealized intercompany profit or loss on inventories held by the Group in different tax jurisdictions is recognised using the tax rate of jurisdiction in which such inventories are held.

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

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income Tax Act regulation are recognized in

statement of changes in equity as part of associated dividend payment.

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

q) Segment Reporting

The Group identifies segments as operating segments whose operating results are regularly reviewed by the Chief Operating Decision Maker [CODM] to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The group has classified geography (India and Overseas) as reportable segments which is in line with Ind AS 108, Operating Segments.

All reporting segments within the group follow a common accounting policies. Segment assets include all operating assets used by the business segments and consist principally of property plant and equipment, intangible assets, debtors and inventories. Segment liabilities include the operating liabilities that result from operating activities of the business segment. Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

r) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity

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shares outstanding during the period is adjusted for events such as bonus issue, bonus element in right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

s) Non-current assets held for sale

The Group classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities

classified as held for sale are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in the fair value less cost to sell of an assets but not in excess of the cumulative impairment loss previously recognised, A gain or loss previously not recognised by the date of sale of the non-current assets is recognised on the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

t) Operating Cycle

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

u) Research and development expenses

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

v) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before 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

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for the year ended March 31, 2023

financing activities of the Group are segregated based on the available information.

5 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Consolidated financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Consolidated financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

The Group has evaluated the amendment and the impact of the amendment is insignificant in the Consolidated financial statements.

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CLASS OF ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As on 01.04.2022	Acquisitions through business combination (Refer Note 46)	Additions	Deductions (Refer Note 3 below)	Foreign currency translation	As on 31.03.2023	Upto 01.04.2022	For the Year	On Deductions	Foreign currency translation	Upto 31.03.2023	As on 31.03.2023
	54.74	-	-	0.98	1.40	55.16	-	-	-	0.32	0.32	54.84
Leasehold Improvement	35.54	-	1.08	0.05	1.98	38.55	7.13	3.61	0.05	(0.60)	10.09	28.46
Buildings	140.77	0.65	6.95	24.75	4.65	128.27	14.42	5.73	3.87	0.22	16.50	111.77
Plant & machineries	232.71	3.87	50.04	5.79	6.82	287.65	63.64	36.54	4.46	6.69	102.41	185.24
Office equipment	20.83	2.92	9.05	0.43	(3.49)	28.88	5.79	5.24	0.40	(3.97)	6.66	22.22
Furniture & fixtures	5.41	-	2.33	0.32	0.50	7.92	2.02	1.74	0.30	0.60	4.06	3.86
Vehicles	8.53	-	3.41	1.39	0.10	10.65	4.10	1.74	0.93	(0.08)	4.83	5.82
Total	498.53	7.44	72.86	33.71	11.96	557.08	97.10	54.60	10.01	3.18	144.87	412.21

CLASS OF ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As on 01.04.2021	Acquisitions through business combination	Additions	Deductions	Foreign currency translation	As on 31.03.2022	Upto 01.04.2021	For the Year	On Deductions	Foreign currency translation	Upto 31.03.2022	As on 31.03.2022
	54.35	-	-	-	0.39	54.74	-	-	-	-	-	54.23
Leasehold Improvement	34.55	-	0.92	0.07	0.07	35.54	3.63	3.50	-	-	7.13	28.41
Buildings	118.07	-	21.29	0.09	1.50	140.77	7.81	6.67	0.05	(0.01)	14.42	112.14
Plant & machineries	198.92	-	38.63	6.24	1.40	232.71	33.83	33.58	4.06	0.29	63.64	164.31
Office equipment	18.58	-	6.34	3.18	(0.91)	20.83	4.21	4.78	3.26	0.06	5.79	14.84
Furniture & fixtures	2.67	-	1.83	0.14	1.05	5.41	0.80	1.34	0.13	0.01	2.02	3.39
Vehicles	7.70	-	1.91	1.18	0.10	8.53	3.43	1.55	0.94	0.06	4.10	4.43
Total	434.84	-	70.92	10.83	3.60	498.53	53.71	51.42	8.44	0.41	97.10	381.75

Notes:

- There are no adjustment to Property, Plant & Equipment on account of borrowing costs and exchange differences.
- Refer note 21 for details of Charge/pledge on above assets.
- During the year ended March 31, 2022, the Group had decided to sell Commercial property at Peninsula, Mumbai & Company's Guest house at Belvedere Court, Mumbai. Accordingly, the Group had reclassified these assets as "Assets held for sale" at their carrying value amounting to ₹5.08 Crores as they met the criteria laid out under Ind AS 105. The Group has sold the above properties during the financial year March 31, 2023 and appropriately recognised net profit amounting to ₹18.90 crores in the Statement of Profit and Loss.

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for the year ended March 31, 2023

Note : 7 Right of Use Assets

CLASS OF ASSETS	GROSS BLOCK				AMORTISATION				NET BLOCK			
	As on 01.04.2022	Acquisitions through business combination (Refer Note 46)	Additions	Deductions	Foreign currency translation	As on 31.03.2023	Upto 01.04.2022	For the year	On De-uctions	Foreign currency translation	Upto 31.03.2023	As on 31.03.2023
Freehold land	0.25	-	-	-	-	0.25	0.05	0.05	-	-	0.10	0.15
Land and buildings	182.18	15.21	37.59	0.72	6.69	240.95	30.40	21.04	-	1.58	53.02	187.93
Plant & machineries	5.24	-	0.49	0.06	0.21	5.88	0.73	1.07	0.06	0.07	1.81	4.07
Office equipment	2.83	1.11	1.68	0.87	0.17	4.92	0.91	0.84	0.10	0.09	1.74	3.18
Vehicles	12.67	0.43	5.80	0.88	0.84	18.86	4.48	4.95	1.39	0.45	8.49	10.37
Total	203.17	16.75	45.56	2.53	7.91	270.86	36.57	27.95	1.55	2.19	65.16	205.70

CLASS OF ASSETS	GROSS BLOCK				AMORTISATION				NET BLOCK			
	As on 01.04.2021	Acquisitions through business combination	Additions	Deductions	Foreign currency translation	As on 31.03.2022	For the year	On De-uctions	Foreign currency translation	Upto 31.03.2023	Assets classified as held for sale (Refer Note 18)	As on 31.03.2022
Freehold land	0.25	-	-	-	-	0.25	0.05	-	-	0.05	-	0.20
Land and buildings	137.93	-	44.94	0.67	(0.02)	182.18	18.20	0.29	(0.15)	30.40	-	151.78
Plant & machineries	1.54	-	3.65	-	0.05	5.24	0.69	-	(0.01)	0.73	1.14	3.37
Office equipment	2.66	-	0.19	-	(0.02)	2.83	0.80	-	(0.02)	0.91	0.11	1.81
Vehicles	9.53	-	3.47	0.36	0.03	12.67	4.13	0.19	(0.04)	4.48	-	8.19
Total	151.91	-	52.25	1.03	0.04	203.17	23.87	0.48	(0.22)	36.57	1.25	165.35

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note : 8 A. Capital work in progress

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Capital work in progress	13.33	12.59
Total	13.33	12.59

(a) Capital work in progress ageing schedule

Particulars	As at 31.03.2023					As at 31.03.2022				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Projects in progress	10.03	2.54	-	0.76	13.33	11.20	0.63	0.76	-	12.59
Total	10.03	2.54	-	0.76	13.33	11.20	0.63	0.76	-	12.59

(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, the project wise details of when the project is expected to be completed is given below:

Particulars	As at 31.03.2023					As at 31.03.2022				
	To be completed in					To be completed in				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Buildings	0.67	-	-	-	0.67	3.00	-	-	-	3.00
Plant & machineries	4.04	-	-	-	4.04	7.08	-	-	-	7.08
Total	4.71	-	-	-	4.71	10.08	-	-	-	10.08

B. Intangible assets under development

(a) Intangible assets under development ageing schedule

Particulars	As at 31.03.2023					As at 31.03.2022				
	Amount in Intangible for a period of					Amount in Intangible for a period of				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Projects in progress	-	-	-	-	-	-	0.39	-	-	0.39
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

(b) Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, the project wise details of when the project is expected to be completed is given below:

Particulars	As at 31.03.2023				As at 31.03.2022			
	To be completed in				To be completed in			
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years
Computer Software	-	-	-	-	0.03	-	-	-
Total	-	-	-	-	0.03	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

CLASS OF ASSETS	GROSS BLOCK				AMORTISATION				NET BLOCK			
	As on 01.04.2022	Acquisitions through business combination (Refer Note 46)	Additions	Deductions	Foreign currency translation	As on 31.03.2023	Upto 01.04.2022	For the Year	On Deductions	Foreign currency translation	Upto 31.03.2023	As on 31.03.2023
Computer software	14.57	-	0.63	0.15	0.33	15.38	10.21	1.82	0.15	0.30	12.18	3.20
Technical knowhow	0.22	-	-	-	-	0.22	0.15	0.01	-	-	0.16	0.06
Backlog	40.87	5.97	0.27	-	3.76	50.87	37.26	5.81	-	2.57	45.64	5.23
Process knowhow	12.07	-	-	-	-	12.07	8.75	1.21	-	-	9.96	2.11
Non- compete agreement	15.65	-	-	-	-	15.65	4.35	4.05	-	-	8.40	7.25
Supplier relationships	-	8.51	-	-	0.65	9.16	-	0.57	-	-	0.57	8.59
Customer relationships	119.60	24.90	-	-	9.50	154.00	7.73	8.47	-	0.93	17.13	136.87
Trade marks	288.89	10.04	-	-	17.29	316.22	16.85	14.96	-	1.62	33.43	282.79
Total	491.87	49.42	0.90	0.15	31.53	573.57	85.30	36.90	0.15	5.42	127.47	446.10

CLASS OF ASSETS	GROSS BLOCK				AMORTISATION				NET BLOCK			
	As on 01.04.2021	Acquisitions through business combination (Refer Note 47)	Additions	Deductions	Foreign currency translation	As on 31.03.2022	Upto 01.04.2021	For the Year	On Deductions	Foreign currency translation	Upto 31.03.2023	As on 31.03.2022
Computer software	13.47	-	0.90	0.00	0.20	14.57	8.11	1.93	-	0.17	10.21	4.36
Technical knowhow	0.22	-	-	-	-	0.22	0.13	0.02	-	-	0.15	0.07
Backlog	39.74	-	0.20	0.08	1.01	40.87	8.81	27.96	0.08	0.57	37.26	3.61
Process knowhow	12.07	-	-	-	-	12.07	2.33	6.42	-	-	8.75	3.32
Non- compete agreement	15.65	-	-	-	-	15.65	4.35	-	-	-	4.35	11.30
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-
Customer relationships	115.61	-	-	-	3.99	119.60	1.02	6.62	-	0.09	7.73	100.51
Trade marks	282.07	-	-	-	6.82	288.89	2.35	14.38	-	0.12	16.85	265.31
Total	478.83	-	1.10	0.08	12.02	491.87	27.10	57.33	0.08	0.95	85.30	388.48

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Particulars	Year Ended	
	31.03.2023	31.03.2022
Depreciation of Property, plant and equipment	54.60	51.42
Amortisation of intangible assets	36.90	57.33
Amortisation on Right to Use Assets	27.95	23.87
Total depreciation and amortisation expense	119.45	132.62

Particulars	Year Ended	
	31.03.2023	31.03.2022
Carrying value at the beginning of the year	66.18	71.85
Goodwill on business combinations (Refer note 46)	55.76	-
Translation differences	27.32	(5.67)
Carrying value at the end of the year	149.26	66.18

Note : 10 Investments

Particulars	Face value (₹)	Qty As At		Amount As At	
		31.03.2023	31.03.2023	31.03.2022	31.03.2022
(i) Non Current					
Shares in Co-operative Society (unquoted) (at fair value)					
Charotar Gas Sahakari Mandli Ltd #	500	10	0.00	10	0.00
Equity Shares (unquoted) (at fair value)					
Futura Polyester Ltd *	10	100	0.00	100	0.00
Mana Effluent Treatment Plant Limited	1000	50	0.01	50	0.01
Total unquoted investments			0.01		0.01

(* Unit 100 and Value ₹ 385/-)

(# Unit 10 and Value ₹ 5000/-)

Particulars	Face value (₹)	No. of Units As At		Amount As At	
		31.03.2023	31.03.2023	31.03.2022	31.03.2022
(ii) Current					
In Units of mutual Funds, Unquoted (at fair value)					
Aditya Birla Sun Life Credit Risk Fund - Growth Regular - (Segregated Portfolio 1)	10	-	-	50,47,117	0.08
Total					0.08

Category wise classification of investments - as per Ind AS 109

Particulars	As At	
	31.03.2023	31.03.2022
Financial assets carried at fair value through profit or loss (FVTPL)		
i) Mandatorily measured at FVTPL (Investment in mutual fund)	-	0.08
ii) Designated as at FVTPL (Investment in equity instruments)	0.01	0.01
Total	0.01	0.09

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note : 11 Loans

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(i) Non-current		
(Unsecured)		
Loans to employees	1.53	1.82
	1.53	1.82
(ii) Current		
(Unsecured)		
Loans to employees	0.74	0.42
	0.74	0.42

Note: There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any person.

Note : 12 Other Financial Assets

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(i) Non Current		
Security Deposits (including considered doubtful as at 31.03.2023 ₹ 0.07 Crore and as at 31.03.2022 ₹ 0.07 Crore)	4.73	4.47
Less : Provision for doubtful security deposits	0.07	0.07
	4.66	4.40
Fixed deposits with maturity more than twelve months (including margin money deposit lodged against bank guarantee as at 31.03.2023 ₹ 3.74 Crore and as at 31.03.2022 ₹ 0.38 Crore)	3.74	0.38
	8.40	4.78
(ii) Current		
Accrued income	0.74	1.15
Security deposits	50.64	38.06
Unbilled Revenue (Net of Advance from Customers)	239.07	49.12
Others	0.28	0.08
	290.73	88.41

Particulars	As at 31.03.2023	As at 31.03.2022
Contracts in Progress at the end of the year		
1. Contract Revenue Recognised as per Percentage of Completion Method	845.32	263.17
2. Contract Cost Incurred upto the reporting date	660.05	168.59
3. Recognised Profit (1-2)	185.27	94.58
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	614.55	153.63
(ii) Amounts due to Customers under construction contracts	-	-
6. Retentions held by customer	-	-
7. Advances received from customers	375.48	104.51
Unbilled Revenue (Net) (5-7)	239.07	49.12

Note: Since the original expected duration of contracts entered by the Group is one year or less, management expects to recognise revenue with respect to unsatisfied / partially satisfied performance obligations, within twelve months from the date of balance sheet.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note : 13 Non-Current Tax Assets / (Current Tax Liabilities)

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(i) Non-current		
Provision for Income Tax	-	120.62
Advance payment of Tax	-	121.04
	-	0.42
(ii) Current		
Provision for Income Tax	(142.43)	(25.12)
Advance payment of Tax	133.04	20.17
Current Tax Liabilities	(9.39)	(4.95)

Note : 14 Other Assets

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(i) Non Current		
Capital Advances (Unsecured, Considered Good)	11.05	6.93
Balances with indirect tax authorities	0.30	0.30
Less: Provision for doubtful balance with indirect tax authorities	0.30	0.30
Prepaid expenses	25.32	-
Others	0.03	0.04
	36.40	6.97
(ii) Current		
Balances With Indirect Tax Authorities	41.21	43.39
Less: Provision for doubtful balance with indirect tax authorities	0.40	0.40
Prepaid expenses	30.66	23.49
Advance to suppliers (Unsecured, Considered Good)	101.73	35.56
Employee Advances*	4.84	3.56
Export benefit receivable	2.16	2.47
Others	20.11	11.00
	200.31	119.07

* **Note:** There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any person.

Note : 15 Inventories

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(Valued at lower of cost and net realisable value)		
Raw materials (including in transit as at 31.03.2023 ₹ 4.39 Crore and as at 31.03.2022 ₹ 5.66 Crore)	322.17	258.49
Work-in-progress (including in transit as at 31.03.2023 NIL and as at 31.03.2022 ₹ 0.54 Crore)	312.06	268.34
Finished goods (including in transit as at 31.03.2023 ₹ 20.34 Crore and as at 31.03.2022 ₹ 43.81 Crore)	125.43	133.56
Stores and spares	11.28	9.14
	770.94	669.53

(Inventories are hypothecated as security for borrowings as disclosed under Note 21). Finished goods of Inventory are net of provision amounting to ₹ 13.59 crores due to export license rejection for a customer specific order in one of the overseas subsidiary. The provision for the same are disclosed as part of Exceptional items in the Consolidated Statement of Profit and Loss (Refer Note 49).

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note : 16 Trade receivables

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured, Considered good	444.83	361.05
Trade Receivables – which have significant increase in credit risk	14.92	13.72
Trade Receivable - credit impaired	3.69	1.93
	463.44	376.71
Less : Allowance for doubtful debts	27.91	20.48
Total	435.53	356.23

(Trade Receivables are given as security for borrowings as disclosed under Note 21).
(Includes Trade Receivables from Related Parties, Refer Note 41).

Movement in the expected credit loss allowance

Particulars	As at 31.03.2023	As at 31.03.2022
Balance at beginning of the year	20.48	19.97
Add: Opening balance reclassified from assets classified as held for sale (Refer Note 18)	0.27	
Add : Provision made during the year	14.72	8.05
Less: Provision used during the year	(8.32)	(7.45)
Add/(Less): Exchange differences	0.76	0.18
Balance at the end of the year	27.91	20.75
Reclassification to assets classified as held for sale (Refer Note 18)	-	(0.27)
Balance at the end of the year after reclassification	27.91	20.48

Trade receivables ageing schedule as at 31.03.2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed Trade receivables – considered good	413.09	29.55	1.50	0.25	0.44	444.83
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	4.85	3.61	3.44	0.67	0.32	12.89
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.93	0.02	0.46	1.41
(iv) Disputed Trade Receivables – which have significant increase in credit risk	-	0.25	0.93	0.15	0.70	2.03
(v) Disputed Trade Receivables – credit impaired	0.09	0.30	0.24	0.10	1.55	2.28
Total	418.03	33.71	7.04	1.19	3.47	463.44
Less : Allowance for doubtful debts						27.91
Trade receivables						435.53

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Trade receivables ageing schedule as at 31.03.2022

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed Trade receivables – considered good	344.95	15.16	0.17	0.01	-	360.29
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	7.71	1.47	2.03	0.25	0.55	12.01
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.02	0.08	0.10
(iv) Disputed Trade Receivables–considered good	-	-	0.77	-	-	0.77
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	0.01	0.53	-	1.17	1.71
(vi) Disputed Trade Receivables – credit impaired	-	-	0.25	-	1.58	1.83
Total	352.66	16.64	3.75	0.28	3.38	376.71
Less : Allowance for doubtful debts						20.48
Trade receivables						356.23

Note : 17 Cash and Bank Balances

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Cash and Cash Equivalents		
Cash and stamps on hand	0.21	0.21
Balances with banks		
- In current accounts	311.27	290.30
- In deposit accounts with Original maturity less than three months	-	0.07
	311.48	290.58
Other Bank Balances		
Fixed deposits with original maturity more than three months and less than twelve months (including margin money deposit lodged against bank guarantee and letter of credit as at 31.03.23 ₹ 59.79 Crore and as at 31.03.22 ₹ 36.76 Crore)	59.79	36.76
In unpaid dividend accounts - Earmarked balances	0.34	0.40
	60.13	37.16

Note : 18 Assets classified as held for sale

18.1 On February 3, 2022, The Board of Directors of the Parent had resolved to sell its subsidiary - Edlon Inc's business, subsequent to which the entity was disclosed as 'Assets classified as held for sale' in the Consolidated Balance Sheet as at March 31, 2022. However, the Board has now reconsidered its decision and have decided to not sell Edlon Inc considering the growth in Edlon's business and change in business strategy and therefore derecognize the entity from 'Assets classified as held for sale' and presented as a part of operating business of the Group. This reclassification has no impact on the Profit & Loss account of the Group as no impairment loss was recognised in past when the entity was classified as 'Assets classified as held for sale'.

18.2 During the year ended 31 March 2022, the Board of Directors of the Parent had decided to sell Commercial property at Peninsula, Mumbai & Group's Guest house at Belvedere Court, Mumbai.

Accordingly, the group had reclassified these assets as "Assets held for sale" at their carrying value amounting to ₹ 5.08 Crores as they met the criteria laid out under Ind AS 105.

The Parent has sold the above mentioned properties during the financial year 31 March 2023 and appropriately recognised the profit in the Consolidated Statement of Profit and Loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note : 19 Equity Share Capital

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Authorised		
50,000,000 (PY 25,000,000) Equity shares of ₹ 2/- each (Refer note below)	10.00	5.00
Issued, Subscribed and Paid-up		
4,49,57,224 (PY 1,46,17,500) Equity shares of ₹ 2/- each fully paid up (Refer Note 19d)	8.99	2.92
Total	8.99	2.92

Note:- The Authorized Share Capital of the Company was increased from ₹ 5,00,00,000 (consisting of 2,50,00,000 equity shares of face value of ₹ 2 each) to ₹ 10,00,00,000 (consisting of 5,00,00,000 equity shares of face value of ₹ 2 each) through an ordinary resolution passed by the Shareholders of the Company by Postal Ballot on July 26, 2022.

a Reconciliation of equity shares outstanding at the beginning and end of the reporting year

Equity Shares:

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore
At the Beginning of the year	1,46,17,500	2.92	1,46,17,500	2.92
a) Issuance of Bonus Shares (Refer Note 19d(1))	2,92,35,000	5.85	-	-
b) Issuance of equity shares on preferential basis to Millars Concrete Technologies Private Limited (Refer Note 19d(2))	11,04,724	0.22	-	-
Balance at the end of the year	4,49,57,224	8.99	1,46,17,500	2.92

b Terms/rights attached to equity shares

The group has only one class of equity shares having a par value ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the group, the holders of equity shares will be entitled to receive remaining assets of the group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

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

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	% holding	No. of Shares	% holding
Pfudler Inc	65,44,389	14.56%	47,76,736	32.68%
Millars Machinery Company Private Limited	38,86,785	8.65%	12,95,595	8.86%
Urmi Ashok Patel	23,60,022	5.25%	6,19,679	4.24%

d Buyback of Shares, Bonus Shares and Shares issued for Consideration other than cash.

1. Pursuant to approval granted by the shareholders of the Parent on June 26, 2022 through Postal ballot for issue of Bonus Shares. The Allotment Committee of Board of Directors at their meeting held on July 14, 2022 approved allotment of 2,92,35,000 Equity Shares having face value of ₹ 2/- each as fully paid-up Bonus Equity Shares, in the ratio of 2:1 i.e. 2 (Two) Equity Shares having face value of ₹ 2/- each for every 1 (One) equity share having face value of ₹ 2/- each held by the shareholders of the Parent as on July 12, 2022 being the record date.

2. Pursuant to approval granted by the Board of Directors and after obtaining all the relevant approvals on September 01, 2022, The Parent has allotted 11,04,724 fully paid-up equity shares of the Parent having face value of ₹ 2 each, at a price of ₹ 1,542.43 each on a preferential basis to Millars Concrete Technologies Private Limited on September 29, 2022 for consideration other than cash for the transfer of 1,24,84,846 ordinary shares of GMM International S.a.r.l to the Parent.

3. The Parent has not bought back any shares in the past five years.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

e Shares reserved for issue under options and contracts:

Refer Note 38 for details of shares to be issued under employee stock option Scheme (ESOP 2021)

f Details of Shareholding of Promoters

Shares held by promoters at the end of the year		As at 31.03.2023		
Sr. No.	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	Tarak Ashok Patel	5,21,880	1.16%	-0.03%
2	Ashok Jethabhai Patel	20,235	0.05%	0.00%
3	Urmi Ashok Patel	23,60,022	5.25%	1.01%
4	A J Patel HUF	8,31,705	1.85%	-0.05%
5	Uttara A Patel	-	0.00%	-1.14%
6	Panna Shailendra Patel	1,01,250	0.23%	-0.01%
7	Pragna Satish Patel	48,480	0.11%	0.00%
8	Palomita Shailendra Patel	3,600	0.01%	0.00%
9	A J Patel Charitable Trust	7,59,375	1.69%	-0.04%
10	Millars Machinery Company Pvt Ltd	38,86,785	8.65%	-0.22%
11	Uttarak Enterprises Pvt Ltd.	12,32,655	2.74%	-0.07%
12	Pfudler Inc	65,44,389	14.56%	-18.12%
13	Millars Concrete Technologies Private Limited	11,04,724	2.46%	2.46%
Total		1,74,15,100	38.74%	-16.21%

Shares held by promoters at the end of the year		As at 31.03.2022		
Sr. No.	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	Tarak Ashok Patel	1,73,960	1.19%	-
2	Ashok Jethabhai Patel	6,745	0.05%	-
3	Urmi Ashok Patel	6,19,679	4.24%	-
4	A J Patel HUF	2,77,235	1.90%	-
5	Uttara A Patel	1,66,995	1.14%	-
6	Panna Shailendra Patel	33,750	0.23%	-
7	Pragna Satish Patel	16,160	0.11%	-
8	Palomita Shailendra Patel	1,200	0.01%	-
9	A J Patel Charitable Trust	2,53,125	1.73%	-
10	Millars Machinery Company Pvt Ltd	12,95,595	8.86%	-
11	Uttarak Enterprises Pvt Ltd.	4,10,885	2.81%	-
12	Pfudler Inc	47,76,736	32.68%	-
Total		80,32,065	54.95%	-

Note : 20 Other Equity

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Capital Reserve		
Balance at the beginning of the year	(13.87)	(13.87)
Movement during the year	-	-
Balance at the end of the year	(13.87)	(13.87)
Cash Subsidy Reserve		
Balance at the beginning of the year	0.07	0.07

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Particulars	As at	
	31.03.2023	31.03.2022
Movement during the year	-	-
Balance at the end of the year	0.07	0.07
Securities Premium		
Balance at the beginning of the year	14.93	14.93
Movement during the year (Refer Note 19d)	164.33	-
Balance at the end of the year	179.26	14.93
Foreign Currency Translation Reserve		
Balance at the beginning of the year	25.72	16.50
Movement during the year	31.28	9.22
Balance at the end of the year	57.00	25.72
General Reserve		
Balance at the beginning of the year	24.04	21.93
Movement during the year	-	2.11
Balance at the end of the year	24.04	24.04
Share options outstanding reserve		
Balance at the beginning of the year	0.49	-
Add: Issue of Shares under Employee Stock Option Scheme (Refer Note 38)	2.82	0.49
Balance at the end of the year	3.31	0.49
Surplus in Statement of Profit and loss		
Balance at the beginning of the year	472.81	363.76
Add : Net Profit for the year	233.18	118.47
Less : Appropriations		
Interim Dividend [Dividend Per Share ₹ 1, (Previous Year ₹ 3)]	4.50	4.39
Final Dividend [Dividend Per Share ₹ 1, (Previous Year ₹ 2)]	4.39	2.92
Transfer to general reserve	-	2.11
Less: Acquisition of balance 46% stake from Non-Controlling Interest (Refer Note below)	151.87	
Balance at the end of the year	545.23	472.81
Total Other Equity	795.04	524.19

Nature and Purpose of Reserves

Capital Reserve:

The group executed merger of wholly owned subsidiary with its step down wholly owned subsidiary. Since the transaction met the definition of "Common Control Transaction" it was accounted in accordance with Appendix C to Ind AS 103 "Business combinations". In accordance with the requirements of the Standard, difference between the amount previously recorded as investment in wholly owned subsidiary and the share capital including Security premium of step down wholly owned subsidiary has been transferred to capital reserve. It is not available for the distribution to shareholders as dividend.

Cash Subsidy Reserve:

Cash Subsidy Reserve represents subsidies received from state government. It is not available for distribution as dividend to shareholders.

Securities Premium:

Securities Premium represents Security Premium received at the time of issuance of Equity Shares. Such amount is available for utilisation in accordance with the provisions of the Companies Act, 2013.

Foreign Currency Translation Reserve:

Foreign Currency Translation Reserve arises as a result of translating the financial statement items from the functional currency into the Group's presentational currency i.e. Indian Rupee.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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 Consolidated Statement of Profit & Loss.

Share options outstanding reserve:

This reserve relates to share options granted by the Group to its employee stock option scheme. Further information about share-based payments to employees is set out in Note 38.

Purchase of Non-Controlling Interest

The Shareholders of GMM Pfaudler Limited ("the Parent") in an extra ordinary general meeting held on September 01, 2022, granted approval for acquisition of balance 46% of the paid-up share capital of its existing overseas subsidiary, GMM International S.à.r.l from Pfaudler International S.à.r.l (part of the promoter group) and Millars Concrete Technologies Private Limited (part of the promoter group), for an aggregate consideration of ₹ 343.78 Crore (excluding acquisition cost amounting to ₹ 4.01 Crore). The acquisition was completed on September 29, 2022 after obtaining all the relevant approvals and settling the consideration as below. Consequent to this, GMM International S.à.r.l has become a wholly owned subsidiary of the Company.

- The Parent paid cash consideration of ₹ 149.47 Crore to Pfaudler International S.à.r.l, for the transfer of 1,09,51,360 ordinary shares of GMM International S.à.r.l to the Parent,
- The Parent paid cash consideration of ₹ 23.91 Crore to Millars Concrete Technologies Private Limited, for the transfer of 17,51,922 ordinary shares of GMM International S.à.r.l to the Parent,
- The Parent issued and allotted 11,04,724 equity shares of the Company having face value of ₹ 2 each, at a price of ₹ 1,542.43 per equity share on a preferential basis to Millars Concrete Technologies Private Limited for the transfer of 1,24,84,846 ordinary shares of GMM International S.à.r.l to the Parent.

The said transaction has been accounted as an equity transaction (i.e., transaction with owners in their capacity as owners) as provided in Ind AS 110 - Consolidated Financial Statements.

Note : 21 Borrowings

Particulars	As at	
	31.03.2023	31.03.2022
i. Long Term Borrowings		
a. Non Current		
Secured (at amortised cost)		
Term Loan from bank (Refer Note 1 to 6 and 9 below)	604.81	424.08
Unsecured (at amortised cost)		
Term Loan from bank (Refer Note 9 and 10 below)	36.11	25.55
	640.92	449.62
b. Current		
Secured (at amortised cost)		
Term Loan from bank (Refer Note: 7 below)	92.47	47.08
Unsecured (at amortised cost)		
Term Loan from bank (Refer Note 7 and 10 below)	8.99	8.23
	101.46	55.31
Total Long Term Borrowings (i)	742.38	504.94
ii. Short Term Borrowings		
Secured (at amortised cost)		
Working Capital Loans repayable on demand from Banks (Refer Note 8 and 11 below)	29.55	-
Unsecured (at amortised cost)		
Working Capital Loans repayable on demand from Banks (Refer Note 8 and 11 below)	25.00	-
Current Maturities of Long terms borrowings (Refer Note 7 below)	101.46	55.31
Total Short Term Borrowings (ii)	156.01	55.31
Total Borrowings (i) + (ii)	796.93	504.94

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note :

- A Rupee Term Loan amounting to ₹ 24.35 Crore (Previous Year 2021-22: ₹ 35.18 Crore) is secured by charge over immovable property and Movable property located at Hyderabad. The loan carries interest rate at 9.25% per annum (Previous Year 2021-22: 6.75% per annum). The Loan is repayable in 17 quarterly instalments.
- A Rupee Term Loan amounting to ₹ 39.47 Crore (Previous Year 2021-22: ₹ 51.40 Crore) is secured by charge over movable and immovable property located at Vatva (Ahmedabad) Gujarat. The loan carries interest rate at 9.30% per annum (Previous Year 2021-22: 6.55% per annum). The Loan is repayable in 14 quarterly instalments. The charge on above securities with respect to mortgage is in process of registration with MCA.
- A Rupee Term Loan amounting to ₹ 37.99 Crore (Previous Year 2021-22: NIL) is secured by Primary - Pari passu first charge on entire current assets of the Company, present and future and Collateral - Pari passu first charge on the entire fixed assets of Company's karamsad factory. The charge on immovable property is in process of registration with MCA. The loan carries interest rate at 8.20% per annum. The Loan is repayable in 20 quarterly installments.
- A Rupee Term Loan amounting to ₹ 75.00 Crore (Previous Year 2021-22: NIL) is secured by Hypothecation of inventories, book debts and all other current assets under first pari passu charge i.e. entire current assets (Current Asset shall be hypothecated for all 3 units : Vatva, Karamsad, Hyderabad) Movable Fixed Assets - First Pari Passu charge on the entire movable Fixed Assets of Company's karamsad factory and Hyderabad factory. The charge on immovable property is in process of registration with MCA. The loan carries interest rate at 8.73% per annum. The Loan is repayable in 48 monthly installments.
- A Rupee Term Loan amounting to ₹ 60.00 Crore (Previous Year 2021-22: NIL) is secured by First pari passu charge on current and movable Fixed assets of Parent's Karamsad factory and First Pari Passu charge on movable Fixed Assets located at Vatva (Ahmedabad) Gujarat. This loan is also secured by charge over immovable property located at Karamsad and Vatva. The charge on immovable property is in process of registration with MCA. The loan carries interest rate at 8.37% per annum. The Loan is repayable in 17 monthly installments.
- External Commercial Borrowing (ECB) amounting to ₹ 39.78 Crore (Previous Year 2021-22: ₹ 41.29 Crore) is secured by pari passu charge on the Parent's Karamsad factory, 1st charge by way of hypothecation on the company's inventories (stores & spares not relating to the Plant and Machinery), Bills Receivable, Book Debts and all other movables including machineries, equipment's, spares etc. The loan carries interest rate of 3/6 month Libor plus 245 basis point. Repayments have started from July 2021 and will continue until January 2025. The charge on above securities is in process of registration with MCA.
- Installments falling due within a year in respect of all the above Loans aggregating ₹ 101.46 Crore (March 31, 2022 : ₹ 55.31 Crore) have been grouped under "Current Maturities of Long terms borrowings".
- Working Capital Loans amounting to ₹ 54.55 Crore (Previous Year 2021-22: NIL) repayable within one year bearing Interest rate ranging from 7.86% to 8.67%.
- Loans availed by foreign subsidiaries (Pfaudler group) amounting to ₹ 438.83 Crore (Secured ₹ 420.69 Crore and Unsecured ₹ 18.14 Crore) (Previous Year 2021-22: ₹ 344.14 Crore (Secured ₹ 343.29 Crore and Unsecured ₹ 0.85 Crore)) carries an interest rate of SOFR/ EURIBOR + applicable margin. The applicable margin depends on leverage ratio levels and may vary from 0.75% to 4.00%. The maturity date for such loan varies from August 2025 to August 2026 which is repayable in installment semi annually/one time payment on termination date. The said loan is secured by various pledge and charge agreements in favor of the lender. Also, certain assets, shares, account receivables, bank accounts and intellectual property rights have been granted as security.
- Unsecured term loan amounting to ₹ 26.96 Crore (Previous Year 2021-22: ₹ 32.93 Crore) from bank availed by wholly owned subsidiary (Mavag AG) carries an interest rate of 1.7% per annum. The Loan is repayable in 20 quarterly installments each of CHF 250,000.
- The Group has been sanctioned working capital from banks. Out of total ₹ 54.55 Crore (Previous Year 2021-22: Nil) working capital loans ₹ 25 Crore are secured by current assets. The Company in this regard has been duly submitting with all such banks from whom such facilities are taken, the quarterly statements comprising details of said current assets viz. raw material, stores and spares, finished goods, book debts and reduced by relevant trade payables. The said quarterly statements are in agreement with the unaudited books of account of the Company of the respective quarters and there are no material discrepancies.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note : 22 Lease Liabilities

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Non Current	143.19	109.37
Current	32.52	21.50
Total	175.71	130.87

(i) Movement in Lease Liabilities

Particulars	As at 31.03.2023	As at 31.03.2022
Opening Balance	130.87	140.95
Add: Opening balance reclassified from assets classified as held for sale (Refer Note 18)	1.25	-
Add : On account of acquisition through business combination (Refer Note 46)	16.80	-
Add: Addition made during the year	45.90	11.71
Less: Deletion made during the year	(0.89)	(0.56)
Add: Finance cost accrued during the year	4.43	4.36
Less: Payment of lease liabilities	(29.37)	(24.10)
Add/(Less): Exchange differences	6.72	(0.24)
Closing Balance	175.71	132.12
Reclassification to assets classified as held for sale	-	(1.25)
Total	175.71	130.87

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

Particulars	As at 31.03.2023	As at 31.03.2022
Payable within one year	37.26	25.27
Payable later than one year and not later than five years	76.86	56.05
Payable after five years	83.27	64.18
(iii) Lease payments recognised for short term leases in Statement of Profit and Loss during the year (Refer Note 34)	9.32	7.90

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Note : 23 Provisions

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Non Current		
Provision for employee benefits (Note (i))	283.62	365.36
Contract related provisions (Note (iii))	9.29	
	292.91	365.36
Current		
Provision for employee benefits (Note (i))	113.40	92.93
Provision for unexpired warranty (Note (ii))	29.11	15.73
Contract related provisions (Note (iii))	30.30	10.48
Provision for selling expenses (Note (iv))	6.27	6.60
	179.08	125.74

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note:

- (i) Provision for employee benefits includes amount payable to employees on account of Gratuity, Pension, Medical plan, compensated absences, Partial or Early Retirement and Incentives. Movement of such Provision for employee benefits is disclosed under Note 37.
- (ii) As per the contractual terms with customers, group provides warranty to the customers. The provision is made for such returns/rejections on the basis of historical warranty trends as per the policy of the group.

Provision for unexpired warranty

Particulars	Year Ended	
	31.03.2023	31.03.2022
Opening balance	15.73	15.54
Add: Opening balance reclassified from assets classified as held for sale (Refer Note 18)	0.17	
Add : On account of acquisition through business combination	0.16	-
Add: Additional provision made during the year	21.97	14.64
Add/(Less): Exchange differences	0.90	0.45
Less: Provision amount used during the year	(9.82)	(14.90)
Closing balance	29.11	15.73

(iii) Contract related provisions

Particulars	Year Ended	
	31.03.2023	31.03.2022
Opening balance	10.48	8.92
Add: Opening balance reclassified from assets classified as held for sale (Refer Note 18)	0.09	
Add: Additional provision made during the year	38.47	16.60
Add/(Less): Exchange differences	0.92	0.17
Less: Provision amount used during the year	(19.66)	(15.21)
Closing balance	30.30	10.48

(iv) Provision for Selling Expenses

Particulars	Year Ended	
	31.03.2023	31.03.2022
Opening balance	6.60	6.11
Add: Opening balance reclassified from assets classified as held for sale (Refer Note 18)	0.28	
Add: Additional provision made during the year	11.34	15.92
Add/(Less): Exchange differences	0.38	0.08
Less: Provision amount used during the year	(12.33)	(15.51)
Closing balance	6.27	6.60

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note : 24 Deferred Tax Liabilities

(₹ in Crore)

Particulars	As at	
	31.03.2023	31.03.2022
Deferred tax liabilities	149.48	108.53
Deferred tax assets	(90.45)	(69.89)
Net Deferred Tax Liabilities	59.03	38.64

The deferred tax liabilities / assets are off-set, where the group has a legally enforceable right to set-off assets against liabilities and are presented in balance sheet as follows:

Particulars	As at	
	31.03.2023	31.03.2022
Deferred tax liabilities	70.77	48.82
Deferred tax assets	(11.74)	(10.18)
Net Deferred Tax Liabilities	59.03	38.64

Particulars	2022-23						2021-22				
	Opening Balance	On account of business combination	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	95.16	13.55	(0.47)	-	4.87	113.11	79.03	14.12	-	2.01	95.16
Investments classified as FVTPL	0.03	-	(0.03)	-	-	0.00	0.06	(0.03)	-	-	0.03
Accounts receivables	3.01	9.07	10.88	-	1.34	24.30	0.45	2.72	-	(0.16)	3.01
Lease Liabilities	(0.11)	-	(0.33)	-	-	(0.44)	(0.25)	0.14	-	-	(0.11)
Provisions and accruals	(15.25)	(8.43)	(11.64)	-	(0.99)	(36.31)	(8.86)	(6.01)	-	(0.38)	(15.25)
Provision for employee benefit	(54.53)	(0.45)	(23.62)	30.27	(5.37)	(53.70)	(74.58)	(1.68)	20.31	1.42	(54.53)
Other temporary differences (including net deferred tax asset re-classified from asset held for sale in FY. 2022-23)	8.51	(3.41)	5.39	-	1.58	12.07	18.12	(8.66)	-	(0.95)	8.51
Net Deferred Tax Liabilities	36.82	10.33	(19.82)	30.27	1.43	59.03	13.97	0.60	20.31	1.94	36.82
Net Deferred tax assets reclassified to assets held for sale (Refer Note 18)						-					1.82
Total						59.03					38.64

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(a) Reconciliation between average effective tax rate and applicable tax rate : (₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Profit Before tax from Continuing Operations	275.24	133.38
Income Tax using the Company's domestic Tax rate [#]	69.28	33.57
Tax Effect of :		
- Non deductible Expenses	22.57	12.97
- Tax-Exempt income	(9.33)	(0.15)
- Deduction on account of expenses allowable in tax but not claimed in book	(4.91)	13.84
- Tax impact on Income charged under Capital Gain	1.34	-
- Changes in recognised deductible temporary differences	5.32	(3.05)
- Changes in recognised deductible temporary differences due to change in tax rate	(1.43)	(0.19)
- Tax on account of profit on sale of Property, Plant & Equipment and other adjustments	(4.91)	
- Tax impact on notional income / expense	(0.03)	(0.11)
- Difference between Indian Tax Rate and Foreign Tax Rate	2.98	(0.57)
Prior-year taxes recognized in current year	(0.68)	(0.58)
Miscellaneous other tax effects	(18.45)	2.29
Income Tax recognised in Statement of Profit & Loss from Continuing Operations	61.74	58.02
Effective Tax Rate	22.43%	43.50%

The Tax rate used for Financial Year 2022-23 and 2021-22, in reconciliation above is the corporate tax rate of 25.17% payable by Group on taxable profits under the Indian Tax Law

(b) Income Tax Expense (₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Current Tax:		
Current Income Tax Charge	82.24	58.00
Excess Provision for Tax relating to Prior Years	(0.68)	(0.58)
Deferred Tax:		
Deferred Tax Charge for the year	(19.82)	0.60
Total Tax Expense recognised in statement of profit and loss	61.74	58.02

The Company controls the dividend policy of its wholly owned subsidiary. It is able to control the timing of the reversal of the temporary difference associated with that investment (including the temporary difference arising from undistributed profits). Therefore, Company has determined that profit will not be distributed in the foreseeable future and has not recognised a deferred tax liability. Undistributed profits of the subsidiary amounts to ₹ 339.54 crore (31 March, 2022 ₹ 84.58 crore).

Note : 25 Other Liabilities (₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Non Current		
Advances from customers	-	14.50
Others	0.78	0.75
	0.78	15.25
Current		
Advances from customers (Net of advances related to unbilled revenue)	405.94	407.90
Statutory dues payable	21.34	6.93
	427.28	414.83

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note : 26 Trade Payables (₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Dues to Micro and Small Enterprises	0.67	2.70
Dues to Other Creditors	536.06	388.49
Total	536.73	391.19

Trade payables ageing schedule as at 31.03.2023 (₹ in Crore)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
(i) MSME	0.67	-	-	-	0.67
(ii) Others	349.46	3.53	3.28	4.42	360.69
Total	350.13	3.53	3.28	4.42	361.36
Add: Accrued expense					175.37
Total					536.73

Trade payables ageing schedule as at 31.03.2022 (₹ in Crore)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
(i) MSME	2.70	-	-	-	2.70
(ii) Others	319.25	4.15	0.58	2.41	326.39
Total	321.95	4.15	0.58	2.41	329.09
Add: Accrued expense					62.10
Total					391.19

Note : 27 Other Financial Liabilities (₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Current		
Unclaimed dividend (Refer Note below)	0.30	0.36
Payables for capital expenditure	0.25	0.43
Employee benefits payable	36.33	27.92
Interest accrued but not due	4.31	1.44
Others	8.50	5.07
Total	49.69	35.22

The amount of Unclaimed Dividend reflects the position as at March 31, 2023. During the year, the Parent has transferred an amount of ₹ 0.04 crore (Previous year ₹ 0.02 crore) to the Investors' Education and Protection Fund in accordance with the provisions of section 125 of the Companies Act, 2013.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note : 28 Revenue from Operations

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Revenue from Sale of Products	3,139.64	2,520.31
Other Operating Revenues	37.91	20.26
Total	3,177.55	2,540.57

Disaggregate Revenues from contracts with customer :

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Revenue from Technology	1,910.16	1,541.85
Revenue from Systems	445.27	314.94
Revenue from Services	822.12	683.78
Total	3,177.55	2,540.57

Reconciliation of Revenue from operations with contract price:

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Contract Price	3,195.24	2,552.19
Less : Adjustment made to contract price on account of:		
Sales return	10.39	9.72
Liquidated damages	7.30	1.90
Total	3,177.55	2,540.57

Note : 29 Other Income

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Interest Income (Gross)		
- Deposits with banks	0.03	0.15
- Others	0.02	0.07
Net gain on sale of current investments	0.08	0.06
Other non-operating income		
- Donation	0.23	-
- Profit on sale of Property, Plant & Equipment (Net)*	22.68	0.50
- Miscellaneous Income	6.19	5.95
Net gain on foreign exchange translations	22.46	-
Total	51.69	6.73

* Profit on sale of Property, Plant & Equipment includes profit on assets held for sale

Note : 30 Cost of materials consumed

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Opening stock of Raw materials	258.49	199.28
Add: Purchases during the year	1,380.82	1,103.74
	1,639.31	1,303.02
Less: Closing stock of Raw materials	322.17	258.49
Total	1,317.14	1,044.53

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note : 31 Changes in Inventories of Finished Goods and Work-in-Progress

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Inventory of finished good at the beginning of the year	133.56	142.29
Inventory of work in progress at the beginning of the year	268.34	228.98
	401.90	371.27
Inventory of finished good at the closing of the year	125.43	133.56
Inventory of work in progress at the closing of the year	312.06	268.34
	437.49	401.90
	(35.59)	(30.63)

Note : 32 Employee Benefits Expense

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Salaries and wages	613.20	556.23
Contribution to provident and other funds	168.78	151.75
Share based payments to employees (Refer Note 38)	2.82	0.49
Staff welfare expenses	6.75	4.93
Total	791.55	713.40

Note : 33 Finance Costs

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Interest Expense	50.52	13.29
Other financial charges	11.62	6.95
Interest on Lease Liabilities (Refer Note 22)	4.43	4.36
Total	66.57	24.60

Note : 34 Other Expenses

(₹ in Crore)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Power & Fuel	106.57	92.82
Stores & Spares Consumption	107.52	82.96
Repairs to Machinery	8.80	7.09
Repairs to Buildings	1.42	2.23
Repairs - Others	36.02	29.47
Rent (Refer Note 22)	9.32	7.90
Insurance	16.65	14.86
Rates & Taxes	7.12	10.10
Travel & Conveyance	40.20	24.08
Communication	7.28	6.31
Bad debts written off (net)	0.67	0.58
Provision for doubtful debts and advances	3.81	0.08
Provision for Warranty expenses	12.31	(0.26)
Net Loss on Current Investments designated as Fair Value through Profit or Loss	0.07	0.14
Net loss on foreign exchange translations	-	0.94
Advertisement and sales promotion	3.78	2.15
Commission	12.06	17.51
Legal and professional fees*	68.19	57.56
Freight outward	73.07	46.96
Payments to auditors (Refer Note 36)	0.81	0.54

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note : 34 Other Expenses (Contd...)

Particulars	₹ in Crore	
	Year Ended 31.03.2023	Year Ended 31.03.2022
Expense on CSR activities	2.24	1.77
IT Expenses	19.53	17.48
Miscellaneous Expenses	37.90	33.42
Total	575.34	456.69

*Includes one time legal costs amounting to ₹ 7.98 crores incurred by the overseas subsidiaries to acquire and dispose various overseas subsidiaries has been disclosed as part of Exceptional items in the Consolidated Statement of Profit and Loss (Refer Note 49).

Note : 35 Contingent Liabilities and Commitments

Particulars	₹ in Crore	
	As at 31.03.2023	As at 31.03.2022
A) Contingent Liabilities not provided for:		
i) Disputed demands relating to Indirect Taxes.	0.70	0.70
- Group has preferred appeal against orders for payment under reverse charge mechanism in respect to Service Tax matter.		
- Group has filed appeal against assessment order in respect of Sales tax matter.		
Management has assessed that no liability is likely to devolve on the Group and hence no provision has made in the books of account.		
ii) Matter decided in favour of the group where the income tax department has preferred appeals.	5.03	5.27
- Commissioner Income Tax (CIT) (Appeal) has passed order and deleted the additions made by The Assessing Officer. Department has filed appeal before Income Tax Appellate Tribunal (ITAT) Ahmedabad for which ITAT has set aside the issue before the Assessing Officer for fresh adjudication with respect to disallowance of warranty provision for AY 2007-08 and 2008-09.		
- The group has received order from ITAT Ahmedabad for which ITAT has set aside the issue to CIT (Appeal) in respect of upward adjustment in Arms Length Price for AY 2010-11, 2011-12 and 2012-13.		
Management has assessed that no liability is likely to devolve on the Group and hence no provision has made in the books of account.		
iii) Disputed demands relating to tax against which the group has preferred appeals.	0.16	0.24
- Group has preferred appeal before CIT (Appeal) against the disallowance of education expenditure under Section 143 (3) for AY 2013-14.		
- Group has preferred appeal before CIT (Appeal) with respect to disallowance of commission paid to non-resident due to non deduction of Tax deducted at source for AY 2017-18.		
Management has assessed that no liability is likely to devolve on the Group and hence no provision has made in the books of account.		
Note: Against the above, the group has paid ₹ 0.35 Crore. The expected outflow will be determined at the time of final outcome in respect of concerned matter.		
iv) Labour claims (relates to legal disputes with former employees in Italy and Brazil)	1.03	0.83

Guarantees

The Group has issued various guarantees for performance, deposits, advances etc. The management basis past history and events has considered the probability for outflow of the same to be remote and accordingly no amount has been disclosed here in contingent liability.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

B) Commitments

Particulars	₹ in Crore	
	As at 31.03.2023	As at 31.03.2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	7.14	21.67

Note : 36 Payments to Auditors

Particulars	₹ in Crore	
	Year Ended 31.03.2023	Year Ended 31.03.2022
As Auditor		
(i) Statutory Audit fees	0.50	0.35
(ii) Limited review fees	0.15	0.15
(iii) Tax audit fees	0.02	0.02
Other services		
(i) Certification	0.08	0.01
(ii) Other services	0.04	
Reimbursement of out-of-pocket expenses	0.02	0.01
Total	0.81	0.54

Note : 37

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 and family pension fund.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

Particulars	₹ in Crore	
	Year Ended 31.03.2023	Year Ended 31.03.2022
Employer's Contribution to Provident Fund	2.91	2.53
Employer's Contribution to Superannuation Fund	0.39	0.55
Employer's Contribution to Pension Scheme	1.02	0.90
Employer's Contribution to Employee's State Insurance	0.02	0.01

Compensated absences and earned leaves

The Group's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy.

Defined Benefit Plans

The Group operates a defined benefit plan in form of gratuity plan and pension scheme covering eligible employees, which provide a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

These plans typically expose the group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the year on government bonds. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.

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for the year ended March 31, 2023

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan liability.

In respect of the Defined Benefit Obligation Plan and Compensated absences and earned leaves, the most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at March 31, 2023. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

The amounts recognized in the Group's financial statements as at the year end are as under: (₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
1 Pension and Medical Scheme		
a. Assumptions :		
US pension plan		
Discount rate	-	3.38%
UK pension plan		
Discount rate	4.65%	2.70%
German pension plan		
Discount rate	3.65% to 3.99%	1.54% to 1.78%
US medical plan		
Discount rate	4.63%	3.36%
Mexico pension plan		
Discount rate	9.52%	8.27%
Switzerland pension plan		
Discount Rate	2.10%	1.15%
Salary Increase	1.50%	1.00%
Inflation Rate	1.50%	1.00%
b. Table Showing Change in the Present Value of Projected Benefit Obligation	As at 31.03.2023	As at 31.03.2022
Present Value of Benefit Obligation at the beginning of the year	883.01	968.09
Addition on account of business combination	1.79	-
Interest Cost	18.76	16.59
Current Service Cost	13.18	11.35
Plan participants' contribution	2.07	1.94
(Benefit Paid Directly by the Employer)	(1.59)	(1.40)
(Benefit Paid From the Fund)	(32.91)	(28.52)
The Effect Of Changes in Foreign Exchange Rates	45.99	3.00
Settlements*	(173.38)	-
Total Actuarial (Gains)/Losses on Obligations	(187.27)	(88.04)
Present Value of Benefit Obligation at the end of the year	569.65	883.01

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
c. Table Showing Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	510.01	505.47
Addition on account of business combination	-	-
Interest Income	12.08	10.91
Contributions by the Employer	10.78	5.14
Expected Contributions by the Employees	2.66	2.42
(Benefit Paid from the Fund)	(20.90)	(16.63)
(Expenses and Tax for managing the Benefit Obligations- paid from the fund)	(0.09)	(0.08)
Settlements*	(173.38)	-
Transfer of asset to defined contribution suspense account*	(28.88)	-
The Effect of Changes In Foreign Exchange Rates	25.12	11.02
Return on Plan Assets, Excluding Interest Income	(57.36)	(8.24)
Fair Value of Plan Assets at the end of the year	280.04	510.01

*During the year ended March 31, 2023, one of the subsidiary Company, amended and terminated its US defined benefit pension plan. Prior to the plan termination, the subsidiary Company made certain amendments, including allowing participants and their beneficiaries to elect to receive a lump sum distribution to the extent they were not already entitled to such election under the Plan. Lump sum distributions amounting to ₹ 73.78 crores were paid to participants and their beneficiaries. Additionally, the subsidiary Company entered into a buyout agreement and paid a total of ₹ 99.60 crores to a third-party insurance company in settlement of obligations. Accordingly, the subsidiary company has reversed the outstanding provision for post-employment pension benefits in the current year and recognized a pretax net gain of ₹ 11.48 crores gain for the year ended March 31, 2023 in the other comprehensive income. On satisfaction of all plan benefits and liabilities and transfer of the obligation, excess plan assets amounting to ₹ 28.88 crores are transferred to a qualified replacement plan suspense account owned by the subsidiary Company, which will be used for contribution to participant accounts under the subsidiary Company's pre-existing 401(k) contribution plan over future 7 years as per the local regulatory requirement of respective jurisdiction.

	As at 31.03.2023	As at 31.03.2022
d. Amount Recognized in the Balance Sheet		
Present Value of Benefit Obligation at the end of the year	(569.65)	(883.01)
Fair Value of Plan Assets at the end of the year	280.04	510.01
Funded Status (Surplus/ (Deficit))	(289.61)	(373.00)
Net (Liability)/Asset Recognized in the Balance Sheet	(289.61)	(373.00)
Net Liability reduced due to risk sharing	(3.18)	(2.73)

	As at 31.03.2023	As at 31.03.2022
e. Expenses Recognized in the Statement of Profit or Loss for Current year		
Current Service Cost	13.18	11.43
Net Interest Cost	6.69	5.68
Expenses Recognized	19.87	17.11

	As at 31.03.2023	As at 31.03.2022
f. Expenses Recognized in the Other Comprehensive Income (OCI) for Current year		
Actuarial (Gains)/Losses on Obligation for the year	(187.27)	(88.04)
Return on plan Assets, excluding Interest Income	57.36	8.24
Net (Income)/Expense for the year recognized in OCI	(129.91)	(79.80)

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

g. Category of Assets	As at 31.03.2023	As at 31.03.2022
Bonds	49.43	239.15
Cash and Cash Equivalents	8.62	7.57
Equity Securities	137.47	178.74
Diversified Growth Fund	44.32	48.68
Real Estate	21.88	19.63
Alternative Investment	2.68	2.43
Qualified Insurance Policy	12.53	10.81
Others	3.11	3.00
Total	280.04	510.01
h. Projected Contribution for next year	27.85	30.46

i. Sensitivity analysis for each significant actuarial assumption

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate, expected salary increase, pension escalations and life expectancy. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year, while holding all other assumptions constant.

Particulars	As at 31.03.2023	As at 31.03.2022
Delta Effect of +1% Change in Rate of Discounting	(62.04)	(108.93)
Delta Effect of -1% Change in Rate of Discounting	74.60	134.62
Delta Effect of +1% Change in Rate of Salary Increase	8.81	13.07
Delta Effect of -1% Change in Rate of Salary Increase	(8.09)	(11.97)
Delta Effect of +1% Change in Rate of Pension Escalation	38.20	55.11
Delta Effect of -1% Change in Rate of Pension Escalation	(34.80)	(50.55)
Delta Effect of +1 Year Change in Life Expectancy	19.00	34.81
Delta Effect of -1 Year Change in Life Expectancy	(19.52)	(34.45)

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 year, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

2 Below is the movement of other provision for employee benefits payable such as Partial or Early Retirement, Vacation and Holiday, Anniversary payments and Incentives.

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Opening balance	81.95	60.06
Add: Opening balance reclassified from assets classified as held for sale (Refer Note 18)	3.23	-
Add : On account of acquisition through business combination	5.18	-
Add: Additional provision made during the year	192.54	148.29
Add/(Less): Exchange differences	6.00	0.59
Less: Provision amount used during the year	183.65	126.99
Closing balance	105.25	81.95

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

3. The amounts recognized in the Consolidated financial statements as at the year end are as under:

Particulars	Gratuity (Funded)		Compensated Absences (Funded)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
a Assumptions :				
Discount Rate	7.50%	7.33%	7.50%	7.33%
Rate of Return on Plan Assets	7.50%	7.33%	7.50%	7.33%
Salary Escalation	7.00%	7.0%	7.00%	7.00%
Mortality	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2012-14
Average Past Service	5.23 Years	5.34 Years	5.23 Years	5.33 Years
Average Age	36.14 Years	36.49 Years	36.14 Years	36.49 Years
Rate of Employee Turnover	For Service 4 years and below 7% p.a. For Service 5 years and above 4% 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 4% p.a.	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a.

Particulars	Gratuity (Funded)		Compensated Absences (Funded)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
b Table showing changes in Present value of defined benefit obligation:	Ultimate Table	Ultimate Table	Ultimate Table	Ultimate Table
Liability at the beginning of the year	9.99	8.71	5.17	4.20
Interest cost	0.74	0.61	0.39	0.29
Current service cost	1.22	0.99	0.53	0.41
Benefit paid	(1.49)	(1.17)	(0.91)	(0.58)
Actuarial (gains) and loss arising from changes in demographic assumptions	0.10	0.00 *	0.06	0.00 *
Actuarial (gains) and loss arising from changes in financial assumptions	(0.18)	(0.48)	(0.10)	(0.28)
Actuarial (gains) and loss arising from experience adjustments	(0.04)	1.33	0.28	1.13
Liability at the end of the year	10.34	9.99	5.42	5.17
c Change in Plan Assets:				
Fair value of Plan Assets at the beginning of the year	7.98	6.51	3.85	3.07
Expected Return on Plan Assets	0.58	0.45	0.28	0.22
Assets Transferred in/Acquisition	-	-	-	-
Contributions	2.01	2.21	1.33	1.13
Benefit Paid	(1.49)	(1.17)	(0.91)	(0.58)
Actuarial gain/(loss) on Plan Assets	(0.02)	(0.02)	(0.01)	0.01
Fair value of Plan Assets at the end of the year	9.06	7.98	4.54	3.85

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Particulars	(₹ in Crore)			
	Gratuity (Funded)		Compensated Absences (Funded)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
d Actual Return on Plan Assets:				
Expected Return on Plan Assets	0.58	0.45	0.28	0.22
Actuarial gain/(loss) on Plan Assets	(0.02)	(0.02)	(0.01)	0.01
Actual Return on Plan Assets	0.56	0.43	0.27	0.23
e Amount Recognized in the Balance Sheet:				
Present value of Funded defined benefit obligation at the end of the year	10.34	9.99	5.42	5.17
Fair value of Plan Assets at the end of the year	9.06	7.98	4.54	3.85
Net (Liability)/Asset Recognized in the Balance Sheet	(1.28)	(2.01)	(0.88)	(1.32)
f Expenses Recognized in the Statement of Profit & Loss :				
Current Service cost	1.22	0.99	0.53	0.41
Interest Cost	0.15	0.16	0.10	0.07
Net Actuarial (gain)/loss to be recognized	(0.09)	0.87	0.25	0.84
Expense/(Income) Recognized in Statement of Profit & Loss	1.28	2.02	0.88	1.32
g Balance Sheet Reconciliation:				
Opening Net Liability	2.01	2.20	1.32	1.13
Expenses recognised in Statement of Profit & Loss	1.37	1.15	0.88	1.32
Expenses/ (Income) recognised in OCI	(0.09)	0.87	-	-
Employers Contribution	(2.01)	(2.21)	(1.32)	(1.13)
Net Liability/(Assets) Recognized in Balance Sheet	1.28	2.01	0.88	1.32
Current	1.28	2.01	0.88	1.32
Non Current	-	-	-	-
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	(0.04)	1.33	0.28	1.13
Actuarial (Gains)/Losses on Plan Assets - Due to Experience	0.02	0.02	0.01	(0.01)
j Projected Contribution for next year	2.60	2.55	1.48	1.86

* ₹ 2,310/-

** ₹ 1,731/-

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 year, while holding all other assumptions constant.

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Particulars	31.03.2023	31.03.2022
Projected Benefit obligation on current assumption	10.34	9.99
Impact of increase in discount rate by 1%	(0.95)	(1.11)
Impact of decrease in discount rate by 1%	1.11	1.34
Impact of increase in salary escalation rate by 1%	1.10	1.34
Impact of decrease in salary escalation rate by 1%	(0.96)	(1.12)
Impact of increase in rate of employee turnover by 1%	0.01	0.01
Impact of decrease in rate of employee turnover by 1%	(0.02)	(0.02)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the year, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

l Investment details of plan assets

The Plan assets are managed by Insurance group viz. Life Insurance Corporation of India which has invested the funds substantially as under :

Particulars	Gratuity		Leave Encashment	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Insurance Fund	9.06	7.99	4.54	3.85
Total	9.06	7.99	4.54	3.85

m Maturity Profile

Particulars	Gratuity		Pension	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
1 st Following Year	0.55	1.03	32.53	34.85
2 nd Following Year	0.44	0.33	30.49	33.47
3 rd Following Year	0.54	0.31	35.05	34.02
4 th Following Year	0.61	0.22	36.07	35.68
5 th Following Year	0.90	0.29	33.98	33.99
Sum of Years 6 to 10	4.32	2.91	171.88	167.15
Sum of Years 11 and above	19.00	25.63	-	-

n Asset-liability matching strategies :

In respect of gratuity and Leave encashment plan, the Company contributes to the insurance fund based on estimated liability of the next financial year end. The projected liability statement is obtained from the actuarial valuer.

Note : 38 Share-Based payments

Equity-settled share option plan

The Group has instituted Employee Stock Option Scheme (ESOP 2021) to designated employees of the Parent and its Subsidiaries. In accordance with the terms of the plan, as approved by shareholders through Postal Ballot on 2nd December 2021, designated employees with the Group may be granted options to purchase equity shares.

Each employee share option converts into one equity share of the Parent Company on exercise. Payment of the Exercise Price shall be made by a crossed cheque, or a demand draft drawn in favor of the Parent Company or in such other manner as the Committee may decide from time to time. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time during the set exercise period. The Options not exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options. Options stands cancelled if the employee leaves the Group before the options vest.

Appraisal process for determining the eligibility of the Employees will be based on designation, criticality, high potential, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

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A. The following table sets forth the particulars of the options outstanding as on March 31, 2022 under ESOP 2021:

Scheme	ESOP 2021	
	01-Feb-22	01-Feb-22
Date of Grant	01-Feb-22	01-Feb-22
Number of options granted*	41,283	83,817
Number of options outstanding*	38,907	78,993
Exercise price per option*	1,392	1,392
Fair value of option on grant date*	600.53	640.33
Vesting period	2 years from the date of grant	3 years from the date of grant
Exercise period	upto 31 st January, 2026	upto 31 st January, 2026

B. Details of the share options outstanding during the year are as follows:

	2022-23		2021-22	
	Number of share options	Weighted average exercise price (in ₹)	Number of share options	Weighted average exercise price (in ₹)
Outstanding at beginning of year	1,25,100	627.19	-	-
Granted during the year	-	-	1,25,100*	627.19*
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	(7,200)	-	-	-
Outstanding at the end of the year	1,17,900	627.19	1,25,100*	627.19*
Exercisable at the end of the year	-	-	-	-

The Group recognised total expenses of ₹ 2.82 crore and ₹ 0.49 crore related to equity-settled share-based payment transactions in F.Y. 2022-23 and 2021-22 respectively.

*Adjusted for Issue of Bonus shares. Refer Note 19d(1)).

Note : 39 Financial Instruments :

Note : 39.1 Capital Management

For the purposes of the Group's capital management, capital includes issued capital and all other equity. The primary objective of the Group's capital management is to maximise shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). The Group is not subject to any externally imposed capital requirement.

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Interest bearing loans and borrowings	796.93	504.94
(b) Less: cash and bank balance (including other bank balance)	371.61	327.74
(c) Net debt (a) - (b)	425.32	177.20
(d) Equity share capital	8.99	2.92
(e) Other equity	795.04	524.19
(f) Total capital (d) + (e)	804.03	527.11
(g) Total capital and net debt (c) + (f)	1229.35	704.31
(h) Gearing ratio (c)/(g)	34.60%	25.16%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note : 39.2 Categories of Financial Instruments :

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured		
(i) Investment in Growth mutual fund	-	0.08
(b) Designated as at FVTPL		
(i) Investment in equity instruments	0.01	0.01
Measured at amortised cost		
(a) Cash and bank balances	371.61	327.74
(b) Other financial assets at amortised cost		
(i) Trade Receivables	435.53	356.23
(ii) Loans	2.27	2.24
(iii) Others	299.13	93.19
Financial liabilities :		
Measured at amortised cost		
Borrowings	796.94	504.93
Lease Liabilities	175.71	130.87
Trade Payables	536.73	391.19
Others	49.69	35.22

Note : 39.3 Financial risk management objectives

The group's corporate treasury function provides services to the business, co-ordinates access to domestic and international financial market, monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyse exposures by degree and magnitude of the risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Note : 39.3.1 Market Risk management

Market risk refers to the possibility that changes in the market rates may have impact on the Group's profits or the value of its holding of financial instruments. The Group is exposed to market risks on account of foreign exchange rates, interest rates and underlying investment prices.

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and investment prices.

(a) Foreign currency exchange rate risk:

The Group's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries and foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the group.

The Group operates locally in India and internationally and a portion of the business is transacted in several currencies and consequently, the Group at consolidated level is exposed to foreign exchange risk through its business transactions in the India and Overseas.

Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

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for the year ended March 31, 2023

The foreign currency risk from financial assets and liabilities as at March 31, 2023 is as follows : (₹ in Crore)

Particulars	Cash and cash equivalents	Trade receivables	Other financial assets	Trade payables	Other financial liabilities
EUR	107.75	149.83	84.52	(152.85)	(215.79)
GBP	18.30	25.30	3.31	(11.13)	(8.94)
CNY	58.31	8.89	92.97	(25.59)	(52.34)
MXN	3.66	2.09	0.17	(0.61)	(0.67)
BRL	18.41	8.76	0.14	(5.10)	(0.29)
SGD	0.01	0.58	-	(0.09)	-
USD	9.81	22.23	-	(2.30)	(39.78)
CHF		6.10		(0.06)	

The foreign currency risk from financial assets and liabilities as at March 31, 2022 is as follows : (₹ in Crore)

Particulars	Cash and cash equivalents	Trade receivables	Other financial assets	Trade payables	Other financial liabilities
EUR	88.34	110.14	26.91	(90.18)	(193.35)
GBP	23.11	19.81	-	(8.56)	(5.36)
CNY	47.33	11.54	39.73	(19.87)	(20.80)
MXN	1.81	1.51	0.14	(0.52)	(0.91)
BRL	12.52	16.45	0.14	(8.25)	(0.07)
SGD	-	0.51	-	-	-
USD	17.58	12.30	0.44	(1.85)	(2.79)
CHF		-		-	

With respect to the Group's financial instruments (as given above), a 5% increase / decrease in relation to foreign currency rate on the underlying would have resulted in increase /decrease of ₹ 5.28 crore (Previous year 2021-22: ₹ 2.03 crore) in the Group's net profit before tax for the year ended March 31, 2023 and March 31, 2022 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 has outstanding borrowings of ₹ 796.93 crore and ₹ 504.94 crore at the end of March 31, 2023 and March 31, 2022 respectively. The impact of increase/decrease of 50 basis points in interest rates would result in increase/decrease of ₹ 3.98 crore (Previous year 2021-22: ₹ 2.52 crore) in the Group's net profit before tax for the year ended March 31, 2023 and March 31, 2022 respectively.

(c) Other price risk

The Group is exposed to price risks arising from its investments which are held for strategic as well as trading purposes.

The sensitivity analysis have been determined based on the exposure to price risks for Investments in equity shares of other companies and mutual funds at the end of the year.

If prices had been 5% higher/lower:

Profit before tax for the year ended March 31, 2023 would increase/decrease by ₹ 0.00# (for the year ended March 31, 2022 ₹ 0.00#) as a result of the change in fair value of investments.

Amount less than ₹ 50,000

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

39.3.2 Credit risk management

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables.

All trade receivables are subject to credit risk exposure. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business.

The group does not have significant concentration of credit risk related to trade receivables and there are no customers which contribute to more than 5% of total outstanding accounts receivable as at any year end.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 1,108.55 crore and ₹ 779.49 crore as at March 31, 2023 and March 31, 2022 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.

39.3.3 Liquidity risk management:

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The table below include only principal cash flows in relation to non-derivative financial liabilities.

Particulars	Up to 1 year	1 to 5 years	5 years and above
As at 31st March, 2023			
Trade payable	536.73	-	-
Other Financial Liabilities	49.69	-	-
Borrowing	156.01	640.92	-
Lease Liabilities	37.26	76.86	83.27
Total	779.69	717.78	83.27
As at 31st March, 2022			
Trade payable	391.19	-	-
Other Financial Liabilities	35.22	-	-
Borrowing	55.31	449.62	-
Lease Liabilities	25.27	56.05	64.18
Total	506.99	505.67	64.18

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for the year ended March 31, 2023

The following table details the group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Up to 1 year	1 to 5 years	5 years and above
As at 31st March, 2023			
Investments	-	0.01	-
Trade receivables	435.53	-	-
Cash & Cash equivalents	311.48	-	-
Bank balances other than above	60.13	-	-
Loans	0.74	1.53	-
Other Financial Assets	290.73	8.40	-
Total	1,098.61	9.94	-

As at 31st March, 2022

Investments	0.08	0.01	-
Trade receivables	356.23	-	-
Cash & Cash equivalents	290.58	-	-
Bank balances other than above	37.16	-	-
Loans	0.42	1.82	-
Other Financial Assets	88.41	4.78	-
Total	772.88	6.61	-

Note : 40 Fair Value Measurements

This Note provides information about how the group determines fair values of various financial assets

Fair Value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

(₹ in Crore)

Financial Assets / Financial Liabilities Particulars	Fair Value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)
	31.03.2023	31.03.2022		
1. Investments in Mutual Funds (Note 10)	-	0.08	Level 1	Quoted bid prices in an active market
2. Investments in equity instruments (Unquoted) (Note 10)	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

Note 1: Significant unobservable inputs for Financial Instruments classified under "Level - 3" Fair Value hierarchy are Net Assets of the investee group as on the date of Fair Valuation.

Note 2: Reconciliation of Level 3 fair value measurements

Particulars	Unlisted Equity Instrument
Opening Balance as at 1st April, 2021	-
Investment made during the year	0.01
Total Gain/(Loss) in statement of P&L	-
Closing Balance as at 31st March, 2022	0.01
Opening Balance as at 1 st April, 2022	0.01
Investment made during the year	-
Total Gain/(Loss) in statement of P&L	-
Closing Balance as at 31st March, 2023	0.01

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note : 41 Related Party Disclosures

(I) List of Related parties

(A) Key management personnel

Mr. Tarak Patel	Managing Director	
Mr. Ashok Pillai	Chief Operating Officer	Upto March 31, 2022
Mr. Aseem Joshi	Chief Executive Officer	
Mr. Manish Poddar	Chief Financial Officer	
Ms. Mittal Mehta	Company Secretary	
Dr. S. Sivaram	Non-Executive - Independent Director	Upto September 19, 2022
Mr. Ashok Patel	Non-Executive Director	
Mr. Nakul Toshniwal	Non-Executive, Independent Director	
Ms. Bhawana Mishra	Non-Executive, Independent Director	
Mr. Vivek Bhatia	Non-Executive, Independent Director	
Mr. Harsh Gupta	Non-Executive Director	
Mr. Malte Woweries	Non-Executive Director	
Mr. Prakash Apte	Non-Executive, Independent Director	w.e.f May 25, 2022

(B) Relative of Key management personnel

Mrs. Urmi Patel	Mother of Mr. Tarak Patel
Ms. Uttara Gelhaus	Sister of Mr. Tarak Patel
Mrs. Payal Patel	Wife of Mr. Tarak Patel
Mrs. Pragna Patel	Sister of Mr. Ashok Patel
Mrs. Panna Patel	Sister of Mr. Ashok Patel

(C) Entities having significant influence over the Group :

i) Pfaudler Inc.	Upto December 16, 2022
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(D) Enterprises over which key managerial personnel have significant influence:

Skyline Millars Ltd.
Ready Mix Concrete Limited
Ashok J Patel - HUF
A J Patel Charitable Trust
J V Patel & Co.
Prestige Tefparts Private Limited
Millars Machinery Company Private Limited
Millars Concrete Technologies Private Limited
Solaris Chemtech Industries Ltd
DECBectochem Engineering Pvt. Ltd
Uttarak Enterprises Private Limited

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(II) Transactions with related parties

Particulars	Key Management Personnel		Relative of Key Management Personnel		Other Related Parties	
	For the Year ended 31.03.2023	For the Year ended 31.03.2022	For the Year ended 31.03.2023	For the Year ended 31.03.2022	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Transactions during the year						
Purchase of goods	-	-	-	-	0.04	0.06
Sale of goods	-	-	-	-	0.15	1.96
Services received	-	-	-	-	0.02	0.08
Lease Rent paid	-	-	-	-	5.56	6.03
Remuneration ** and Commission	16.30	14.82*	-	1.42	-	-
Dividend paid	0.10	0.09	0.51	0.40	4.32	0.27
Issue of shares for consideration other than cash against purchase of Investment (Refer Note 19d(2))	-	-	-	-	170.40	-
Donations received	-	-	-	-	0.02	-
Directors Sitting Fees	0.90	0.73	-	-	-	-
Balance outstanding#						
Payables	6.29	7.04	-	-	0.04	1.53
Receivables	-	-	-	-	0.02	-
Deposit outstanding	-	-	-	-	2.42	2.42

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

* Remuneration of ₹ 0.61 Crore was paid to Managing Director in respect of GMM International s.a.r.l which relates to financial year 2020-21 which was approved by shareholders at the Annual General Meeting conducted on August 13, 2021.

** Remuneration disclosed above is approved by Nomination and Remuneration Committee (NRC).

(III) Significant Related Party Transactions are as under:

Nature of Transactions	Name of Party	Year Ended 31.03.2023	Year Ended 31.03.2022
Transactions during the year			
Services received	Millars Concrete Technologies Private Ltd	-	0.08
Lease rent paid	Ready Mix Concrete Limited	2.77	2.92
	J V Patel & Co.	2.56	2.86
Remuneration paid	Mr. Tarak Patel	10.13	10.95
	Mr. Ashok Patel	1.51	1.42
	Mr. Aseem Joshi	2.13	0.92
Dividend paid	Pfudler Inc	2.87	2.39
	Millars Machinery Company Private Limited	0.78	-
Issue of shares for consideration other than cash against purchase of Investment (Refer Note 19d(2))	Millars Concrete Technologies Private Limited	170.40	-
Donations received to GMM Pfudler Foundation	Mrs. Payal Patel	0.01	-
	A J Patel Charitable Trust	0.01	-
Balances outstanding as at year end			
Deposit outstanding	Ready Mix Concrete Limited	1.23	1.23
	J V Patel & Co.	1.14	1.14
Key Managerial Personal			
Payable	Mr. Tarak Patel	5.33	6.15
	Mr. Assem Joshi	0.67	0.24

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Short-term employee benefits	16.89	12.79
Post-employment benefits	0.29	2.72
Other long-term benefits	0.02	0.04
Total	17.20	15.55

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

Note : 42 Segment Reporting

(a) Reportable segment based on geographical area

Particulars	India		Overseas		Total	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Revenue :						
Total External Sales	943.31	706.34	2,234.24	1,834.23	3,177.55	2,540.57
Segment Results:						
Profit / (Loss) before Tax and Interest	163.49	121.61	178.32	36.37	341.81	157.98
Less: Interest Expense					66.57	24.60
Profit before Tax					275.24	133.38
Taxes					61.74	58.02
Net Profit after Tax					213.50	75.36
Segment Assets	752.30	645.20	2,602.24	2,082.37	3,354.54	2,727.57
Total Assets	752.30	645.20	2,602.24	2,082.37	3,354.54	2,727.57
Segment Liabilities	595.78	373.96	1,943.49	1,685.22	2,539.27	2,059.18
Total Liabilities	595.78	373.96	1,943.49	1,685.22	2,539.27	2,059.18
Capital Expenditure	41.54	48.94	32.23	23.09	73.77	72.03
Depreciation on Property, Plant & Equipment and Other Intangible assets	29.82	27.78	61.68	80.97	91.50	108.75

Notes:

- The Group reviews its business segments in line with the reviews performed by Chief operating decision maker (CODM) regarding resource allocation and performance management and hence the group has classified geograph (India and Overseas) as reportable segments which is in line with Ind AS 108, Operating Segments.
- 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.
- All reporting segments within the group follow a common accounting policies described in Note 4.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Entity wide Disclosure

(i) Non-current operating assets:

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
India	234.17	232.91
Overseas	879.58	722.23
Total	1,113.75	955.14

(b) Revenue from external customers for each product line

Product lines	Year Ended 31.03.2023	Year Ended 31.03.2022
Technologies	1,910.16	1,541.85
Systems	445.27	314.94
Services	822.12	683.78
Total	3,177.56	2,540.57

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note : 43 Earning Per Share (EPS)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
The following reflects the Profit and Share data used in the Basic and Diluted EPS computations:		
Net profit attributable to equity shareholders of the Parent (₹ in Crore)	166.63	85.05
Weighted average number of Equity Shares in calculating basic EPS (a)	4,44,10,932	4,38,52,500
Add: Effect of Employee stock option (b)	15,857	9,438
Weighted average number of Equity Shares in calculating Diluted EPS (a+b)	4,44,26,789	4,38,61,938
Face value of Equity Share in ₹	2	2
Earnings per share (Basic) ₹	37.52	19.39
Earnings per share (Diluted) ₹	37.51	19.39

Pursuant to the issue of Bonus shares, as per the Ind AS 33 - Earnings per share, the calculation of basic and diluted earnings per share for the year ended March 31, 2022 have been adjusted and restated (Refer Note 19d(1)).

Note : 44 Additional Information as required under Schedule III to the Companies Act, 2013 of Enterprises Consolidated as Subsidiaries (₹ in Crore)

(a) As at and for the year ended March 31, 2023

Sr. No.	Name of Entity	Net Asset i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated net asset (₹ in Crore)	₹	As % of Consolidated share in Profit or Loss (₹ in Crore)	₹	As % of Consolidated other comprehensive income (₹ in Crore)	₹	As % of Consolidated Total Comprehensive income (₹ in Crore)	₹
Holding Co.									
	GMM Pfaudler Limited	86.84%	707.98	46.34%	98.94	0.08%	0.09	30.85%	99.03
Subsidiaries									
Foreign-									
1	Mavag AG	17.07%	139.16	2.48%	5.30	11.91%	12.81	5.64%	18.11
2	GMM International S.a.r.l	57.80%	471.22	39.35%	84.02	0.00%	-	26.17%	84.02
3	Pfudler GmbH (Germany)	34.12%	278.20	13.97%	29.84	56.50%	60.74	28.22%	90.58
4	Pfudler Normag Systems GmbH (Germany)	3.88%	31.59	6.15%	13.13	0.47%	0.50	4.25%	13.63
5	Pfudler Interseal GmbH (Germany)	4.03%	32.84	0.73%	1.55	0.00%	-	0.48%	1.55
6	Mixel France SAS	2.47%	20.15	0.37%	0.79	(0.15)%	(0.17)	0.19%	0.62
7	Pfudler services Benelux B.V. (Netherlands)	1.38%	11.28	2.37%	5.06	0.00%	-	1.58%	5.06
8	Pfudler s.r.l. (Italy)	37.41%	305.01	4.96%	10.59	0.00%	-	3.30%	10.59
9	Hydro Air Research Italia S.r.l (Italy)	0.06%	0.47	2.16%	4.60	0.00%	-	1.43%	4.60
10	Pfudler Limited (UK)	11.00%	89.69	4.86%	10.37	17.60%	18.92	9.12%	29.29
11	Pfudler (Chang Zou) Process Equipment Company Limited (China)	10.49%	85.53	7.14%	15.24	0.00%	0.00	4.75%	15.24
12	Mixel Agitator Company Limited (China)	0.66%	5.38	(0.40)%	(0.86)	0.00%	-	(0.27)%	(0.86)
13	Pfudler SA de CV (Mexico)	0.73%	5.94	0.55%	1.17	0.16%	0.18	0.42%	1.35
14	Edlon, Inc. (USA)	5.99%	48.82	15.13%	32.31	0.00%	-	10.07%	32.31
15	GMM Pfudler US Inc (USA)	5.55%	45.28	36.11%	77.09	16.17%	17.38	29.43%	94.47
16	GMM Pfudler JDS LLC (USA)	2.81%	22.94	(1.91)%	(4.08)	0.00%	-	(1.27)%	(4.08)
17	Pfudler Ltda. (Brazil)	6.54%	53.34	10.41%	22.22	0.00%	-	6.92%	22.22
18	Pfudler Private Limited (Singapore) Domestic	0.07%	0.54	0.02%	0.04	0.00%	-	0.01%	0.04
19	GMM Pfudler Foundation	0.03%	0.22	0.10%	0.21	0.00%	-	0.07%	0.21
	Consolidation Adjustment	(188.93)%	(1,540.31)	(90.88)%	(194.03)	(2.74)%	(2.94)	(61.36)%	(196.97)
	Total		815.27		213.50		107.51		321.01

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(b) As at and for the year ended March 31, 2022

(₹ in Crore)

Sr. No.	Name of Entity	Net Asset i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated net asset	(₹ in Crore)	As % of Consolidated share in Profit or Loss	(₹ in Crore)	As % of Consolidated other comprehensive Income	(₹ in Crore)	As % of Consolidated Total Comprehensive Income	(₹ in Crore)
Holding Co.									
	GMM Pfaudler Limited	66.52%	444.62	126.01%	94.96	(1.19)%	(0.87)	63.34%	94.09
Subsidiaries									
Foreign-									
1	Mavag AG	18.11%	121.05	26.79%	20.19	40.95%	29.97	33.77%	50.16
2	GMM International S.a.r.l	53.26%	356.00	(28.04)%	(21.13)	0.00%	-	(14.23)%	(21.13)
3	Pfaudler GmbH (Germany)	25.83%	172.64	(10.41)%	(7.84)	49.88%	36.50	19.29%	28.66
4	Pfaudler Normag Systems GmBH (Germany)	2.40%	16.07	2.50%	1.88	0.12%	0.09	1.33%	1.97
5	Pfaudler Interseal GmbH (Germany)	4.40%	29.41	14.07%	10.60	0.00%	-	7.14%	10.60
6	Pfaudler services Benelux B.V. (Netherlands)	1.33%	8.91	4.98%	3.75	0.00%	-	2.53%	3.75
7	Pfaudler s.r.l. (Italy)	41.44%	276.99	10.91%	8.22	0.00%	-	5.54%	8.22
8	Pfaudler Limited (UK)	24.54%	164.00	15.26%	11.50	12.28%	8.99	13.79%	20.49
9	Pfaudler (Chang Zou) Process Equipment Company Limited (China)	10.49%	70.11	7.87%	5.93	0.00%	(0.00)	3.99%	5.93
10	Pfaudler SA de CV (Mexico)	0.58%	3.90	2.06%	1.55	0.02%	0.01	1.05%	1.56
11	Edlon, Inc. (USA)	9.56%	63.92	8.17%	6.16	0.00%	-	4.14%	6.16
12	GMM Pfaudler US Inc (USA)	(4.26)%	(28.47)	33.21%	25.03	11.65%	8.52	22.59%	33.55
13	Pfaudler Ltda. (Brazil)	6.83%	45.66	21.76%	16.40	0.00%	-	11.04%	16.40
14	Pfaudler Private Limited (Singapore) Domestic	0.07%	0.46	0.13%	0.10	0.00%	-	0.06%	0.10
15	GMM Pfaudler Foundation	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
	Consolidation Adjustment	(161.12)%	(1,076.89)	(135.28)%	(101.94)	(13.71)%	(10.03)	(75.38)%	(111.97)
	Total		668.39		75.36		73.18		148.54

Note : 45 Non-Controlling Interest

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Balance at the beginning of the year	141.28	115.61
Share of Profit/ (Loss) for the year	46.87	(9.69)
Movement during the year in Foreign Currency Translation Reserve	(23.50)	5.34
Share of Other Comprehensive Income for the year	33.18	25.20
Less: Acquisition of balance 46% stake from Non-controlling interest	(195.92)	-
Add: Share of Non-Controlling Interest in JDS Manufacturing Inc	13.24	-
Other adjustments	(3.91)	4.82
Total	11.24	141.28

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note : 46 Business Combination

- a) During the year, the Group has acquired 100% stake in Hydro Air Research Italia S.r.l (HARI) through its wholly owned subsidiary Pfaudler s.r.l.. Italy on a going concern basis at a consideration of ₹ 41.16 Crore effective from August 03, 2022.
- b) Also during the year, the Group has acquired 100% stake in Mixel France SAS ("Mixel") based in France and its wholly owned subsidiary Mixel Agitator Company Limited (Mixel Agitator) based in China through its wholly owned subsidiary Pfaudler GmbH, Germany effective from February 02, 2023. In relation to the same, a cash consideration of ₹ 67.32 crores was paid to erstwhile investors of Mixel.

The acquisition is provisionally accounted as per acquisition method of accounting in accordance with Ind AS 103 - "Business Combinations", effective from respective dates as mentioned above. Such provisional amounts are subject to change within the measurement period as provided in Ind AS 103 upon final determination of fair value for the purpose of purchase price allocation.

The purchase price was allocated to assets acquired and liabilities assumed based on the fair values as at the date of acquisition in accordance with Ind AS 103 - Business Combinations.

The following table summarises the recognised amounts of assets acquired and liabilities assumed:

Particulars	(₹ in Crore)		
	Provisional Fair Value (HARI)	Provisional Fair Value (Mixel)	Provisional Fair Value (Mixel Agitator)
Non-current assets			
(a) Property, Plant & Equipment	1.02	4.37	2.05
(b) Right of Use Assets	1.90	7.79	7.06
(c) Capital work-in-progress			
(d) Other Intangible Assets	49.10	0.32	0.00
(e) Investments	-	6.36	
(f) Deferred Tax Assets (net)	6.37	5.74	
(g) Other non-current assets	-		
Current assets			
(a) Inventories	0.37	13.90	7.63
(b) Financial Assets			
(i) Trade Receivables	7.35	24.60	1.92
(ii) Cash & Cash Equivalents	14.83	12.26	2.98
(iii) Bank balances other than above Cash & Cash Equivalents	-		2.40
(iv) Others current financial assets	13.19	14.01	0.47
(v) Other current assets	2.30	3.89	2.18
(c) Current tax assets (net)	0.92	-	-
Accumulated retained earnings	-	-	-
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	(5.56)	(13.46)	-
(ii) Lease Liabilities	(1.59)	(4.95)	(6.25)
(b) Deferred tax liabilities (Net)	(21.47)	(0.97)	-
(c) Long term provisions	(2.17)	(6.77)	-
(d) Others non current liabilities	-	-	-
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	(1.23)	(9.21)	-
(ii) Lease Liabilities	(0.35)	(2.84)	(0.82)

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Particulars	(₹ in Crore)		
	Provisional Fair Value (HARI)	Provisional Fair Value (Mixel)	Provisional Fair Value (Mixel Agitator)
(iii) Trade payables	(30.61)	(19.27)	(8.61)
(iv) Other current financial liabilities	(0.56)	(12.06)	(0.63)
(b) Current Provisions	(1.00)	(2.26)	
(c) Current tax liabilities (net)	-	-	(0.06)
(d) Other current liabilities	(1.57)	(6.31)	(3.98)
Net asset acquired	31.24	15.14	6.34

Goodwill arising on acquisition

Particulars	Provisional Fair Value	
	(HARI)	(Mixel and Mixel Agitator)
Consideration transferred	41.16	67.32
Less: Fair value of identifiable net assets acquired	(31.24)	(21.48)
Less: Forex difference	-	-
Goodwill arising on acquisition	9.92	45.84

Goodwill arising on these acquisition is not deductible for tax purposes.

47 Proposed Dividend:

The Board of Directors, in their meeting held on May 25, 2023 have recommended a final dividend of ₹ 1 per share, subject to approval by shareholders of the Parent.

48 Bonus shares:

The board of Directors in its board meeting held on 25 May, 2022 had approved issuance of Bonus shares in the ratio of 2 Equity Share of ₹ 2 each for every 1 Equity share of ₹ 2 each held by the shareholders on the record date and approved by the shareholders on 26 June, 2022 through postal ballot approval.

49 Exceptional Items:

The exceptional items during the year ended March 31, 2023, relates to: a) One time legal costs amounting to ₹ 7.98 crores incurred by the overseas subsidiaries to acquire and dispose various overseas subsidiaries and b) Provision for inventory amounting to ₹ 13.59 crores due to export license rejection for a customer specific order in one of the overseas subsidiary.

50 The financial statements for the year ended March 31, 2023 were approved for issue by the Board of Directors on May 25, 2023.

51 No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- a) Crypto currency or virtual currency
- b) Undisclosed income
- c) Struck off Companies
- d) Benami Property held under under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- e) Relating to borrowed funds:
 - (i) Wilful defaulter
 - (ii) Utilization of borrowed funds
 - (iii) Discrepancy in utilization of borrowings

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.
- (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.

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

Prakash Apte
Chairman
DIN: 00196106
Mumbai, May 25, 2023

Tarak Patel
Managing Director
DIN: 00166183
Mumbai, May 25, 2023

Manish Poddar
Chief Financial Officer
FCA 098238
Mumbai, May 25, 2023

Mittal Mehta
Company Secretary
FCS 7848
Mumbai, May 25, 2023

GRI Content Index

Statement of use	GMM Pfaudler has reported the information cited in this GRI content index for FY 2022-23 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

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