ACCELERATING GROWTH

GMM Pfaudler

Defining the standard

Annual Report 2017-18

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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's Discussion and Analysis Report of .GMM Pfaudler Limited's Annual Report for FY 2017-18

Please find our online version at

gmmpfaudler.com/investor

Or simply scan to download

Investor information

CIN	:	L29199GJ1962PLC001171
BSE code	:	505255
NSE code	:	GMMPFAUDLR
Bloomberg code	:	GMM IN Equity
Dividend for 2017-18	:	₹ 4 per equity share (200%)
Market Capitalization as on March 31, 2018	:	Over ₹ 10,000 million
AGM date	:	August 9, 2018
Venue	:	Sardar Vallabhbhai Patel and Veer Vithalbhai Patel Memorial, Anand-Sojitra Road, Karamsad – 388 325, Gujarat.

Growth - Revenue and Profits in 2017-18

15%* INCREASE IN CONSOLIDATED REVENUE

38%* INCREASE IN CONSOLIDATED PBT

17%* INCREASE IN STANDALONE REVENUE

16%* INCREASE IN STANDALONE PBT

*From last year

PBT - Profit Before Tax

Accelerating Growth

Inspired by the previous year's theme 'Shaping Our Future', your company continues to enjoy a dominant position in the domestic market for its Glass Lined business. The initiatives undertaken over the last couple of years have created a strong foundation for growth in the coming years. Our current year's theme 'Accelerating Growth' reflects the futuristic approach of the Management and the strategies that are being put forward for expansion of other business lines. Under the 'Accelerating Growth' initiative, we have shown significant improvement both in terms of revenues and profitability.

Strategic initiatives for financial year 2017-18

- PROJECT ON THROUGHPUT IMPROVEMENT
- 5S (VISUAL WORKPLACE ORGANISATION METHOD)
- NEW GAS FURNACE
- EMPLOYEE ENGAGEMENT
- COACHING/ MENTORING
- NEW ERP SYSTEM

Managing Director's Message

This year was noteworthy in terms of major projects launched and completed. During the year, we launched 'Project Shakti', a major throughput improvement project, added manufacturing capacity and also commissioned a new natural gas furnace.

TARAK PATEL
MANAGING DIRECTOR

DEAR SHAREHOLDERS,

It gives me an immense pleasure to talk about the year gone by, our ability to continuously offer our customers high quality products, shorter delivery times, prompt after sales service and innovative technologies has helped us maintain our leadership position in the Indian market and remain the preferred supplier to the key industries that we serve.

The Indian economy is expected to grow at 7.4% in FY19 and accelerate to 7.8% in FY20 and will remain the world's fastest-growing major economy. Structural reforms such as GST have been giving impetus to economy and will continue to have a positive impact on economic growth and macroeconomic stability. Increase in global demand should also help sustain investment activity and boost exports. The monsoon is expected to be 'normal' this year and will have a positive impact on the economy by boosting agriculture production and reviving rural consumption. It is vital that the Government continues with the implementation of structural reforms, this will help raise productivity and incentivise private investment.

The initiatives undertaken over the last couple of years have created a strong foundation for growth that has helped us to seamlessly transition into the third year of our 'Mission 2020' Strategic Plan - 'Accelerating Growth'. Under the 'Accelerating Growth' initiative we have shown significant improvement in both revenues and profitability: we reported a consolidated and standalone revenue growth of 15% and 17% respectively and a consolidated and standalone profit before tax growth of 37% and 16% respectively over the previous year. We achieved the targets that we had set out for ourselves and, in spite a slow first quarter, we made up for the shortfall in the coming quarters.

The key industries that we serve, Pharmaceutical (Pharma), Agrochemical (Agro) and Specialty Chemical (Specialty), all continued to invest in new manufacturing facilities. Agro and Specialty showed significant increase in investment and accounted for nearly 50% of our total revenue. Pharma showed a slowdown in capital spending due to FDA issues and pricing pressure in the US markets, but still accounted for 30% of our total revenue. Looking forward, based on our market intelligence and enquiries on hand we believe that the investment activity in these sectors will continue.

This year was noteworthy in terms of major projects launched and completed. During the year, we launched 'Project Shakti', a major throughput improvement project, added manufacturing capacity and also commissioned a new natural gas furnace. These initiatives will help us increase output and reduce costs in the coming months. We also implemented a new cloud based ERP solution which has gone live in May 2018 and this will help us increase efficiencies, decrease costs and streamline internal systems and processes. We believe that our employees are our most important asset, with this in mind we launched two major HR initiatives, a mentoring program for our senior employees that will help in their overall development and an employee engagement program that will help increase employee motivation and commitment.

During the year we continued to strengthen our relationship with our parent company – Pfaudler, who under new ownership and management see GMM Pfaudler as an important part of their global organization. Pfaudler added two new companies to their group during the year – Interseal a supplier of sealing technology and Normag a supplier of laboratory glassware. Both products will enhance the Pfaudler product portfolio and we are working closely with them to bring both these product lines to India. Going forward we will continue to leverage each other's strengths to increase revenue, margins and market share.

We strongly believe that we are moving in the right direction and with what we have accomplished this year we are in a strong position to launch our theme for the fourth year of our 'Mission 2020' Strategic Plan - 'Achieving Excellence'. Under 'Achieving Excellence' initiative we aim to drive cost consciousness throughout the organization by using innovative methods and technologies to improve efficiencies and reduce costs. The goals and target have already been rolled out throughout the organization and we will see the benefits in the coming quarters.

I would like to place on record my appreciation to the Board of Directors for their continued support and guidance. I would also like to thank all our employees, business partners and shareholders for their support and faith in GMM Pfaudler. We have good reasons to look forward, I am confident that we can continue to grow and create value for all our stakeholders.

Best Regards,

Tarak Patel
Managing Director

Board of Directors

DR. S. SIVARAM - Chairman & Independent Director

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

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

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

TARAK PATEL – Managing Director

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

He is on the Board of Skyline Millars Limited and Ready Mix Concrete Limited. Mr. Patel is on the Governing Council of the Charutar Arogya Mandal.

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

DR. DOMINIC DELLER - Director

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

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

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

THOMAS KEHL - Director

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

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

DR. AMRITA PATEL - Independent Director

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

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

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

ASHOK PATEL - Director

Mr. Ashok Patel has over 45 years of experience in the capital goods industry. He has been a Director of GMM Pfaudler Limited since 1972 and was the Managing Director of the Company from 1988 to 2015. He is currently the Executive Chairman of the Company's subsidiary Mavag AG.

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

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

KHURSHED THANAWALLA - Director

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

He serves on the Board of Stovec Industries Ltd.

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

NAKUL TOSHINWAL – Independent Director

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

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

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

Market Leader of Glass Lined Equipment Manufacturing in India

GMM PFAUDLER LIMITED ("GMM PFAUDLER" OR "THE COMPANY") IS A LEADING SUPPLIER OF ENGINEERED EQUIPMENT AND SYSTEMS FOR CRITICAL APPLICATIONS IN THE CHEMICAL AND PHARMACEUTICAL INDUSTRIES.

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

With over five decades of manufacturing experience, GMM Pfaudler Limited is a well-established Company with a strong brand and customer goodwill. The Company is currently the market leader in glass-lined equipment. Over the years, the Company has diversified its product portfolio to include Heavy Engineering, Mixing Systems, Engineered Systems and Filtration & Drying Equipment to grow revenue and reduce the cyclicality of the business.

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

GMM Pfaudler currently employs 433 people and has regional sales and service offices in Ahmedabad, Ankleshwar, Chennai, Hyderabad, Mumbai, Roha, Vadodara and Visakhapatnam.

Business Verticals

1 Glass Lined Equipment (GL)

68%

contribution to total revenue

Manufactures:
Glass Lined Reactors, Glass Lined Storage Tanks, Columns, Condensers, Conical Dryer Blenders, Kilo Labs, Glass Lined Pipes and Fittings

Industries Served:
Pharmaceutical, Agrochemical, Specialty Chemical and Dyes

2 Heavy Engineering (HE)

12%

contribution to total revenue

Manufactures:
Heat Exchangers, Pressure Vessels and Columns

Industries Served:
Pharmaceutical, Agrochemical, Specialty Chemical, Oil & Gas, Petrochemical and Fertilizers

3 Mixing Systems (MS)

8%

contribution to total revenue

Manufactures:
High Efficiency Agitators and Magnetic Drive Agitators

Industries Served:
Pharmaceutical, Agrochemical, Specialty Chemical, Paints, Resins, Inks, Biotech, Pulp and Paper

4 Filtration & Drying (F&D)

8%

contribution to total revenue

Manufactures:
Agitated Nutsche Filters, Funda ® Filters, Paddle Dryers and Spherical Dryers

Industries Served:
Pharmaceutical, Agrochemical and Specialty Chemical

5 Engineered Systems (ES)

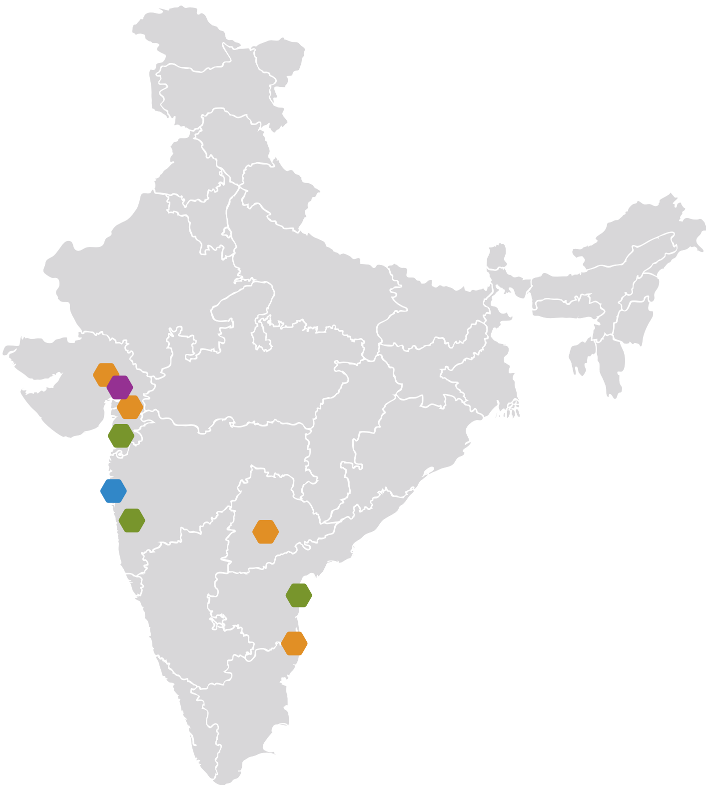
4%

contribution to total revenue

Manufactures:
Evaporation Systems, Heating & Cooling Systems and Biotech Systems

Industries Served:
Pharmaceutical, Specialty Chemical and Biotech

Our Facility



MANUFACTURING CAPABILITIES

- State-of-the-art plant spread over 20 acres at Karamsad, Gujarat
- Covered area of over 38,000 sq. mts.

1. Manufacturing
- Karamsad(Head Office)

2. Corporate & Sales Office
- Mumbai

3. Sales Office
- Ahmedabad
- Chennai
- Hyderabad
- Vadodara

4. Sales & Service offices
- Ankleshwar
- Roha
- Visakhapatnam

Key Milestones

1963	1987	1999	2008
Established in 1963 as Gujarat Machinery Manufacturers Listed on the Bombay Stock Exchange	Pfaudler Inc. acquires 40% stake in GMM for a Joint Venture	Pfaulder increased its equity stake to 51% and the Company is renamed as GMM Pfaudler Ltd	Acquired MAVAG AG, Switzerland, in January 2008

2012

Became a part of National Oilwell Varco (NOV) group post NOV's acquisition of Pfaudler's parent, Robbins & Myers

2014

Became a part of Deutsche Beteiligungs AG post acquisition of Pfaudler's stake from National Oilwell Varco

2018

Crossed market capitalization of ₹ 10,000 Million

Crossed Consolidated revenue of ₹ 400 Million

Listed on National Stock Exchange

An Organisation With Deep Values And Commitment

VISION

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

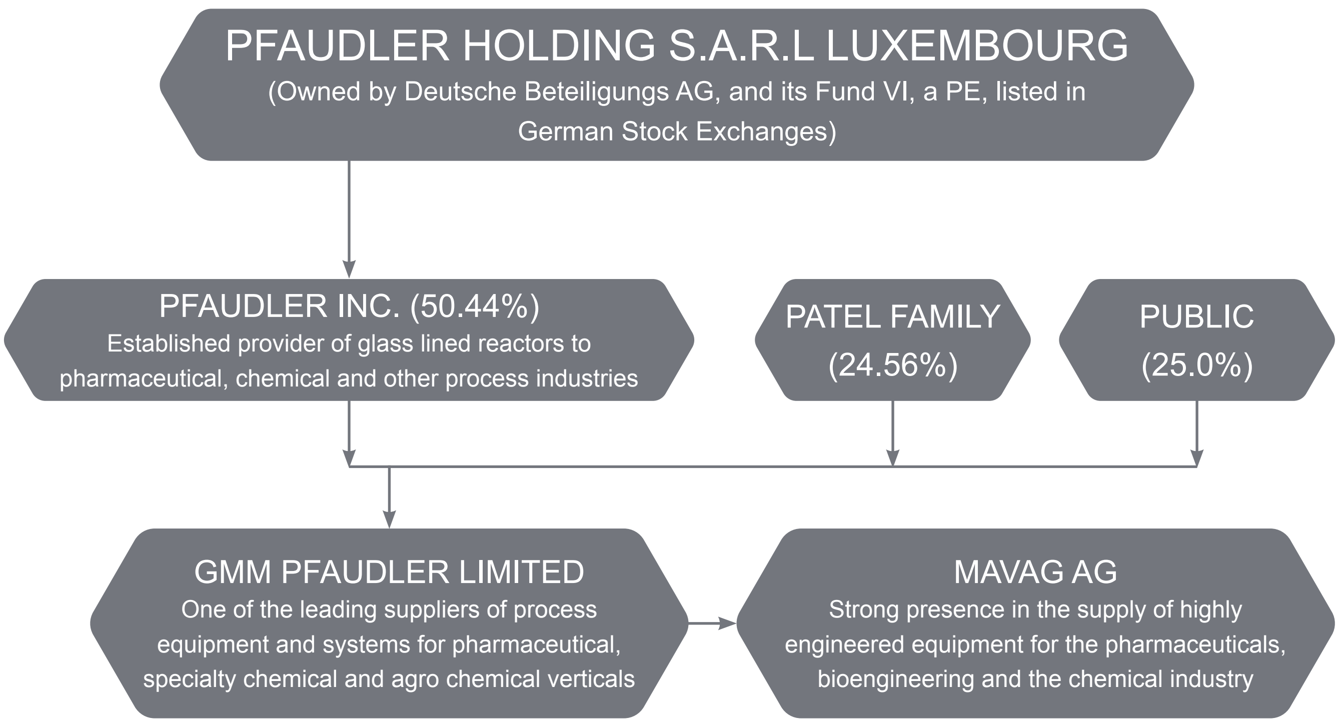
MISSION

- To provide high quality products, services and solutions in a timely manner.
- To be reliable partner for our customers.
- To enhance value for all our stakeholders.

VALUES

- **Accountability -** To meet commitments and be responsible for all our decisions and actions.
- **Team Work -** To work together by creating a positive and collaborative work environment.
- **Performance - Based Culture** - To consistently recognise and reward good performance.
- **Safety -** To ensure a safe working environment for our employees and business partners.
- **Integrity -** To be ethical and fair in all our dealings.

Ownership Structure



About Pfaudler Inc.

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

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

Pfaudler's Group Companies

EDLON
FLUOROPOLYMERS

INTERSEAL
SEALING TECHNOLOGY

MAVAG
FILTRATION & DRYING

MONTZ
ENGINEERED COLUMN SYSTEMS

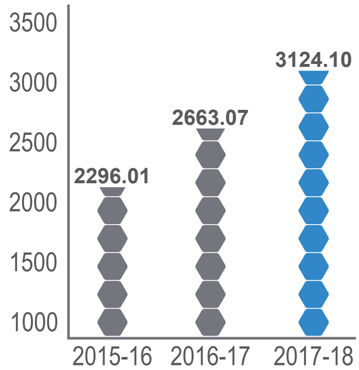
NORMAG
LAB & PROCESS GLASS

About Mavag AG

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

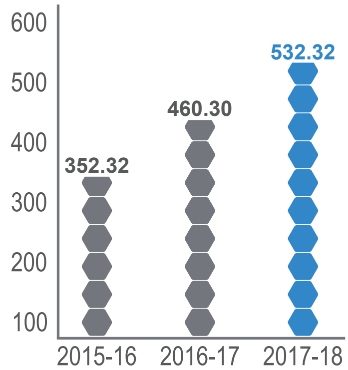
Standalone Financial Performance

Revenue (₹ Mn)



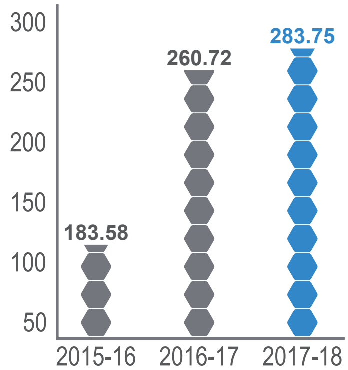
↑17%

EBIDTA (₹ Mn)



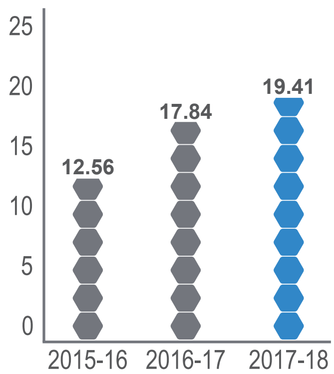
↑16%

PAT (₹ Mn)



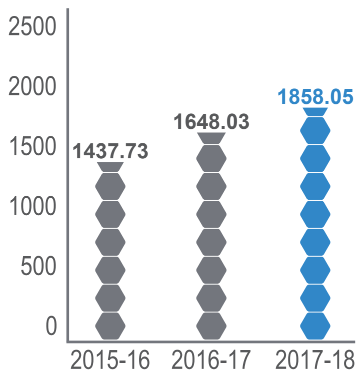
↑9%

EPS (₹)



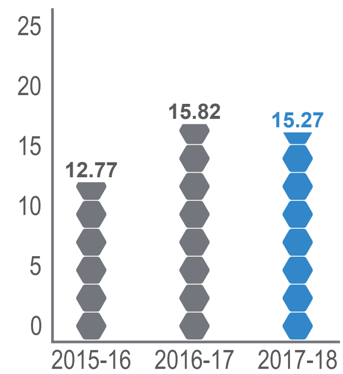
↑9%

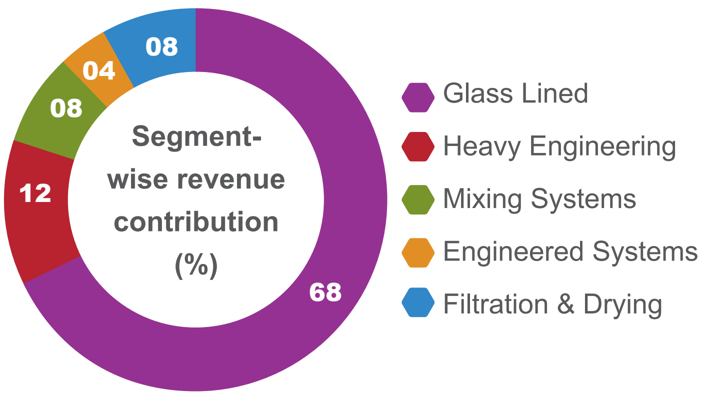
Net Worth (₹ Mn)

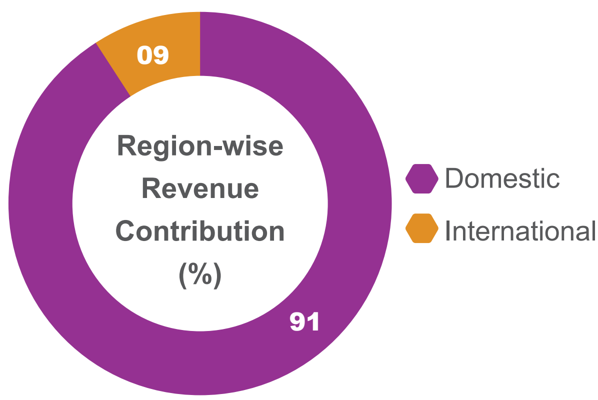


↑13%

ROCE (%)

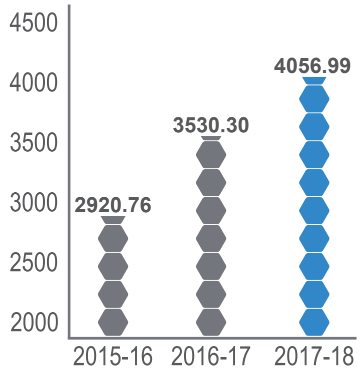






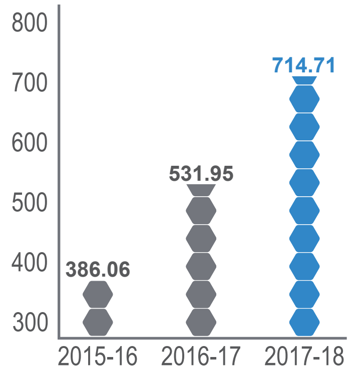
Consolidated Financial Performance

Revenue (₹ Mn)



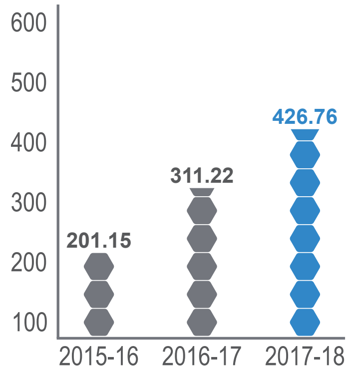
↑15%

EBIDTA (₹ Mn)



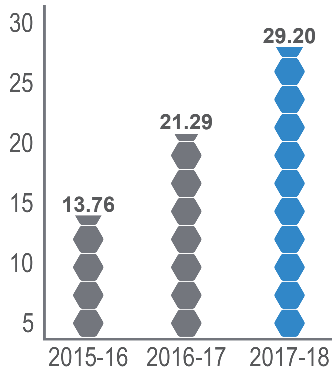
↑34%

PAT (₹ Mn)



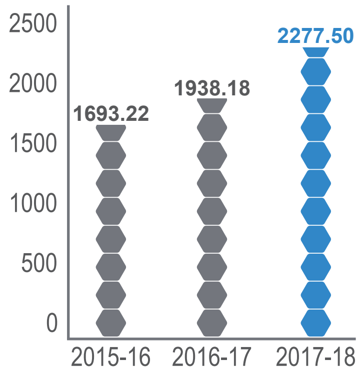
↑37%

EPS (₹)



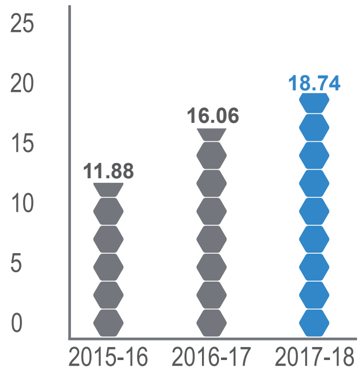
↑37%

Net Worth (₹ Mn)



↑28%

ROCE (%)



↑19%

*EBIDTA : Earnings before Interest Depreciation Tax and Amortisation
*PAT : Profit After Tax
*EPS : Earnings Per Share
*ROCE : Return on Capital Employed

Nurturing the Community And Society

CSR HIGHLIGHTS FOR THE YEAR 2017-18

GMM Pfaudler's CSR policy is based on our commitment to make a positive contribution to the local community and environment. Healthcare, education and environment sustainability are at the core of our CSR 2017-18 strategy to address the welfare of the local community around our manufacturing facility at Karamsad, Gujarat.

GMM PFAUDLER IS INVOLVED IN THE FOLLOWING CSR PROJECTS

Healthcare

Project SPARSH – Making Modern Healthcare Accessible to Village Communities.

SPARSH (Shree Krishna Hospital Programme for Advancement of Rural and Social Health) aims at connecting the last person in villages to appropriate levels of healthcare; village health workers (VHWs) in their own villages, health centres in towns close by and a tertiary care centre for critical cases. The programme, currently being implemented in 90 villages of Anand and Kheda districts, covering a population of 2.6 lakhs, is managed by Charutar Arogya Mandal (CAM).

Charutar Arogya Mandal (CAM), a charitable trust set up by the late Dr. H. M Patel, has been working for providing modern and professional healthcare to the rural community in Anand and Kheda districts of Gujarat for over 3 decades. Shree Krishna Hospital, managed by CAM receives and treats thousands of patients every day. Initially, starting with a modest 136-bed facility, Shree Krishna Hospital has today emerged as one of the largest, modern and professionally run institution in the state.

Medical officers conducting a regular health check-up - AASHIRWAD

Its treatment facilities include technologically robust ICUs, Operation Theatres, Trauma Centre, Laboratories, CT-Scan, Cancer Centre, Cardiac Centre and a host of other state-of-the-art facilities. The hospital itself, through many of its special programmes, provides its services to the economically deprived persons at extremely reasonable and affordable rates. CAM also manages the HM Patel Centre for Medical Care and Education at its 100-acre campus in Karamsad. It conducts extension activities in a number of villages surrounding the hospital and its satellite centres and is recognized by the Department of Science and Technology, Government of India as a Scientific Industrial Research Organization to carry out research activities. Further details are available on http://www.charutarhealth.org

During the year, through project SPARSH, 12,925 patients were reached through 420 camps in 60 villages. A total of 15,011 rural people were educated about various issues related to chronic diseases such as Hypertension and Diabetes through 755 sessions undertaken by the Village Health Workers(VHWs).

At the end of the year, there were 730 patients with chronic diseases such as Hypertension and Diabetes enrolled with the programme for receiving health care delivered at their door step through the VHWs, saving the patients cost of travel and consultation at higher centers. Average monthly cost of treatment for patients with Hypertension, Diabetes and those having both Hypertension and Diabetes was Rs.40, Rs.106 and Rs.133 respectively.About 150 patients from these villages requiring further investigations and management were brought to Shree Krishna Hospital and treated under its AASHIRWAD ward scheme where all services except the medicines were provided free of cost to the patients.

Attempts were undertaken to strengthen the programme through introduction of track sheets, digitisation, implementation of SOPs(Standard Operating Protocols), field audits, etc. Medical officers have started meeting key persons of the village such as Sarpanch, Talati on the day of the camp, to explain to them the SPARSH programme and garner support for the field activities. A software has been developed to digitise the patient registration, consultation, monitoring and delivery of medicines at the patient's doorsteps. Pilot testing of the software is currently in progress and it is expected to be launched in the programme soon. Each of the VHWs has been issued a tablet for using the software and educating the rural community through videos and slide shows in Gujarati on various health issues. One round of training of the VHWs for using the tablet and the software was completed.

Efforts were initiated to introduce the management of Chronic Obstructive Pulmonary Diseases (COPD) in the programme after seeing the success that has been achieved in managing Hypertension and Diabetes. Training of the VHWs and Medical Officers on COPD was completed in December 2017.

With the introduction of an Anaemia Project, Baseline assessment of Haemoglobin levels and awareness about anaemia was completed for 2698 children of 31 Government secondary schools. Educational interventions comprising peer-led behaviour change interventions and powerpoint-based education for these children were undertaken.

In the peer group, one peer was given the responsibility of 10 other children for educating and ensuring that the children consume Iron tablets on a weekly basis.

Two research projects on COPD were initiated in coordination with the Department of Physiotherapy of the hospital –

- Evaluation of effectiveness of the VHW trainings in monitoring and educating COPD patients
- Assessment of effect of the SPARSH programme on the clinical condition and quality of life of COPD patients

Education & Skill Development

- by joining hands with JVP ITI at Karamsad.

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

Upgraded workshop with latest machines - J V Patel ITI

J V Patel, Industrial Training Institute located at Karamsad, Gujarat was established in the year 1979 under Bombay Public Trust Act, 1950 and Societies Registration Act 1860 with the objective of enhancing the livelihood of local communities by promoting education through vocational skill development.

J V Patel ITI, well-equipped with qualified and experienced instructors as its faculty, has eight Trades certified by the National Council for Vocational Training (NCVT), New Delhi and two Trades certified by the Technical Education Board (TEB), Gandhinagar. Currently, it creates employment for about 400 students coming from the local community every year. Further details are on http://www.jvpiti.org

To improve the quality of education imparted to the students, and thus enhance their employment prospects, GMM Pfaudler has partnered with J V Patel ITI to modernize its facilities in a phased manner.

As a part of the first phase of the project in the financial year 2016-17, J V Patel ITI upgraded its ‘Welding’ infrastructure, by completely renovating the welding workshop, its embedded theory class room and added latest equipment.

In the second phase in the financial year 2017-18, J V Patel ITI upgraded its ‘Fitter’, ‘Electrical’ and ‘Sheet Metal’ trades and its embedded theory class room and added new equipment.

The upgraded infrastructure along with the latest technology will help students gain better knowledge, experience and enhance employement capability.

Ensuring Environmental Sustainability

- by joining hands with Sardar Patel Trust, Karamsad.

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

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

The Memorial is visited by a large number of students from schools and colleges, likewise, visitors from Gujarat; other states and abroad.

The Memorial hosts various student activities like study camps, research works, youth camps, group discussions, elocution competitions in with co-ordination with neighboring schools, colleges and socio-culture organizations.

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

Maintenance work undertaken at - The Memorial

Corporate Information

CHAIRMAN

Dr. S. Sivaram

MANAGING DIRECTOR

Tarak Patel

DIRECTORS

Dr. Dominic Deller

Thomas Kehl

Dr. Amrita Patel

Ashok Patel

Khurshed Thanawalla

Nakul Toshniwal

KEY MANAGERIAL PERSONNEL

Ashok Pillai - Chief Operating Officer

Jugal Sahu - Chief Financial Officer

Mittal Mehta - Company Secretary

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP,

Chartered Accountants

INTERNAL AUDITORS

Kalyaniwalla & Mistry,

Chartered Accountants

SOLICITORS

Shardul Amarchand Mangaldas

BANKERS

State Bank of India

Axis Bank Ltd.

Citibank N.A.

Yes Bank Ltd.

REGISTERED OFFICE

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

CORPORATE OFFICE

1001 Peninsula Towers,
Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai - 400 013, Maharashtra.
Tel: +91 22 6650 3900
Email: investorservices@gmmpfaudler.com

REGISTRAR & TRANSFER AGENTS

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

Ten Years' Financial Highlights

Description	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
OPERATING RESULTS										
Revenue from Operations (Net of excise duty)	3,124.10	2663.07	2,296.01	2,240.09	2,005.11	1,675.01	2,018.13	1,440.21	1,544.78	1,466.81
Other Income	70.39	52.23	32.42	33.50	29.27	52.30	28.80	26.16	27.02	35.22
Earning before Depreciation, Interest & Tax	532.32	460.30	352.32	347.08	298.03	195.33	190.91	205.84	207.16	203.18
Depreciation	83.06	73.83	67.38	80.86	70.81	55.93	49.10	34.74	33.34	32.61
Interest	10.31	8.98	6.87	5.18	10.55	7.28	11.65	8.81	6.56	13.05
Profit before Tax	438.95	377.49	278.07	261.04	216.67	132.12	130.16	162.29	167.25	157.52
Profit after Tax	283.75	260.72	183.58	172.03	142.86	96.66	91.41	110.18	114.43	102.27
Dividends	58.47	58.47	43.86	43.86	43.85	40.93	40.93	40.93	40.93	40.93
Dividend per share (₹)	4.00	4.00	3.00	3.00	3.00	2.80	2.80	2.80	2.80	2.80
Earning per share (₹)	19.41	17.84	12.56	11.77	9.77	6.61	6.25	7.54	7.56	7.00
Book value per share (₹)	127.13	112.76	98.36	87.73	79.85	73.60	70.14	67.19	62.90	58.62
FINANCIAL SUMMARY										
Assets Employed										
Fixed Assets (net)	632.99	499.66	438.11	376.18	383.00	421.79	409.68	346.09	288.25	299.64
Investments	725.67	679.60	396.81	337.19	336.46	330.24	295.87	283.24	119.48	111.98
Net Working Capital	499.39	468.77	602.81	567.07	448.03	323.99	319.71	396.12	511.72	445.14
Total	**1,858.05**	**1,648.03**	**1,437.73**	**1,282.44**	**1,167.49**	**1,076.02**	**1,025.26**	**1,025.45**	**919.45**	**856.76**
Financed By										
Share Capital	29.23	29.23	29.23	29.23	29.23	29.23	29.23	29.23	29.23	29.23
Reserves & Surplus	1,828.82	1,618.80	1,408.50	1,253.21	1,138.26	1,046.79	996.03	952.51	890.22	827.53
Loan Funds	-	-	-	-	-	-	-	43.71	-	-
Total	**1,858.05**	**1,643.03**	**1,437.73**	**1,282.44**	**1,167.49**	**1,076.02**	**1,025.26**	**1,025.45**	**919.45**	**856.76**

Management Discussion and Analysis

A. ECONOMY

i) Global Economy:

The year 2017 ended on a high note, with global GDP clocking the fastest growth since 2011. This was largely led by the the recovery in investment, manufacturing and trade activities across the advanced economies. Emerging markets and developing economies including China, India and South Africa have also registered strong growth benefiting from increased world trade and a pick-up in investment. While the threat of a trade war lurks ominously, global economic conditions remained strong in the first quarter of 2018 and this momentum is expected to continue through the year. Importantly, this growth is widespread across most of the markets. As per KPMG's Quarterly Economic Outlook, the global growth forecast has been revised, with real GDP now expected to be 3.8 percent for both 2018 and 2019.

ii) Indian Economy:

India has regained its title as the world's fastest-growing major economy after it posted strong growth numbers in the third and the fourth quarter. It has smoothly overcome the temporary after effects of demonetisation and Goods and Service Tax (GST) implementation. The country is moving towards an era of organised growth. Reforms such as the Insolvency and Bankruptcy Code 2016 and GST coupled with investments in rural areas and infrastructure are important elements of the foundation for such growth. Improving consumer confidence, stability in the macroeconomic fundamentals, structural reforms, encouragement to the domestic manufacturing industries and flagship initiatives introduced by the Indian government, have now started to gain momentum. The economy is evenly poised to register a growth rate of 7% and above over the coming few years.

B. INDUSTRY DEVELOPMENTS

The key demand industries for GMM Pfaudler Limited - Pharmaceuticals, Specialty Chemicals and Agrochemicals, are all expected to grow at a CAGR of 10-15% over the next 5 years. These industries will continue to invest to increase their manufacturing capacity as well as to upgrade their manufacturing facilities.

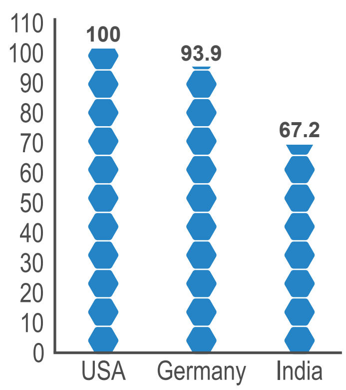
Key growth drivers include:

i) Pharmaceuticals

The Indian Pharmaceuticals market is characterized by some unique features. The first being branded generics which dominate, making up for 70% to 80% of the retail market. Secondly, local players have enjoyed a dominant position driven by formulation development capabilities and early investments. Third, price levels are low, driven by intense competition. Fourth feature being lower production cost - nearly 33% lower than that of the US. Besides, India has the second largest number of USFDA-approved manufacturing plants outside the US and 546 USFDA-approved company sites, the highest number outside the US. India exports 50% of its total Pharma production and is the largest (by volume) of generics in the world. Indian Companies account for 30% of USA's generic drug imports. MoUs with USFDA, WHO and Health Canada, among others will boost growth in this sector by benefiting from their expertise.

The demand prospects from the domestic market are likely to remain higher owing to increasing spending on healthcare as well people's changing lifestyles. While India ranks tenth globally in terms of value, it is ranked third in terms of volumes. The Indian Pharmaceuticals market is expected to touch USD 55 billion by 2020 (Source: McKinsey & Company, India Pharma 2020 Report).

Manufacturing cost index



(Source: Statista)

Management Discussion and Analysis (Contd.)

Government Initiatives:

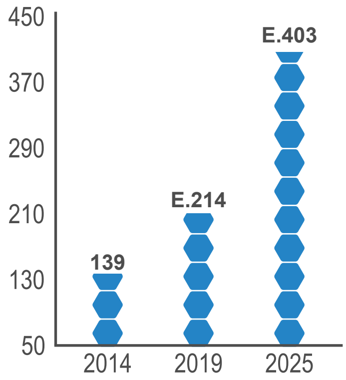
- Unveiled 'Pharma Vision 2020', that aimed at making India a global leader in end-to-end drug manufacturing
- Reduced approval time for new facilities to boost investments
- Allowed 100% FDI under automatic route

ii) Specialty Chemicals

The Indian Specialty Chemicals sector grew at 11% in 2017. China had been a dominant player in the global chemicals supply by creating bulk capacities with backward integration, subsidised capital funding and low interest debt. However, the Chinese Government announced closure of various chemical companies involved in environmental degradation. An estimated 40% of China's chemical manufacturing capacity was temporarily shut down for safety inspections, with over 80,000 manufacturing units charged and fined for breaching permissible emission limits.

This led to supply disruption, thus giving an opportunity to the Indian players in this space. As a result, several specialty chemical companies have announced capex plans to increase the existing capacities and set-up greenfield projects. The developed markets are now preferring India for their uninterrupted supply for future products.

Indian specialty market



(Source: KPMG) E: Estimated

Government Initiatives:

- Focus on affordable housing, agriculture and increased expenditure on infrastructure development will further spur demand for performance-enhancing chemicals;
- Anti-dumping duty imposed on chemicals imported from China, to protect the interest of domestic players
- Fast pacing new set up application, with company only required to submit an industrial entrepreneur's memorandum to DIPP

iii) Agrochemicals

The Indian agrochemicals market is all set to touch US$7.5bn by FY19E (FY14: US$4.25bn), growing at a 12% CAGR versus 8-10% CAGR historically (Source: Antique Stock Broking Research Report). The sector plays a critical role in ensuring safety of food and nutrition security of the nation. Efficient usage of crop protection products and solutions for Indian agriculture are the need of the hour. There is an estimated 355 MMTPA (Million metric tonne per annum) food grain requirement by 2030 (Source: Consulting. in, IBEF).

There is a huge scope of growth improvement in the Indian crop protection market. The current consumption of crop protection products in India at 0.6 kg per hectare (ha), is much lower than the world average of 3 kg per ha. This offers immense opportunity for future growth.

Government Initiatives:

- Proposed an increase in minimum support prices (MSPs) for Kharif crops in 2018
- Higher funds allocation for infrastructure development such as irrigation, warehouse etc. are the supporting hands for a boost in the agriculture industry
- Providing inclusive crop protection to the farmers through crop insurance in times of weak monsoon trends, natural calamities like floods, droughts and hailstorms

The Government's initiatives would lead to improvement in crop cultivation yield per hectare resulting in better realizations in the hands of the farmer. This would augur well for agro chemical and fertilizers sector in India as the disposable income for farmers would lead to utilization of quality fertilizers and pesticides.

Management Discussion and Analysis (Contd.)

OUTLOOK

Looking at the positive economic momentum and the initiatives taken by the Indian Government, our end user industries will witness capital spending for both new manufacturing facilities as well as upgrading of existing facilities. India stands at an inflection point to benefit from the global supply shortage in the specialty chemical segment and strong domestic drivers in the pharmaceutical and agro chemical segment.

C. COMPANY OVERVIEW

Established in the year 1962, GMM Pfaudler Limited ("the Company") is a leading supplier of engineered equipment and systems to the global pharmaceutical and chemical markets. GMM Pfaudler has a State-of-the-art factory spread over 20 acres of land with a covered area of over 38,000 square meters.

With over five decades of manufacturing experience, GMM Pfaudler is a well established and financially stable company. GMM Pfaudler is the market leader in India in Glass Lined Equipment and over the years has diversified its product portfolio to include Heavy Engineering Equipment, Mixing Systems, Filtration & Drying Equipment and Engineered Systems.

D. FINANCIAL PERFORMANCE

GMM continued to accelerate its growth momentum amidst challenging and dynamic economic conditions both domestic and global environment in the year gone by. The Company ended the fiscal on a high note registering a significant revenue growth. GMM remains committed to meeting expectation and enhancing shareholder's value which is reflected in its market capitalization over 8 times in last 5 years.

In the financial year 2017-18, GMM Pfaudler recorded standalone revenues of ₹ 3,124.10 Million, up 17% from the previous year's ₹ 2,663.07 Million and consolidated revenues of ₹. 4,056.99 Million, up 15% from the previous year's ₹ 3,530.30 Million.

Standalone Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) increased by 16% to ₹ 532.32 Million as compared to ₹ 460.30 Million in FY 2016-17 and consolidated EBITDA increased by 34% to ₹ 714.71 Million as compared to ₹ 531.95 Million in FY 2016-17.

Profit Before Tax (PBT) increased by 16% to ₹ 438.95 Million as compared ₹ 377.49 Million in FY 2016-17 on standalone basis and increased by 38% to ₹ 606.51 Million as compared to ₹ 440.60 Million in FY 2016-17 on a consolidated basis.

During the year the Company successfully completed a "Comprehensive Plant Transformation Programme" to increase its throughput, commissioned a natural gas furnace and continued to focus on cost reduction and efficiency improvement programs across the organization. These investments are enduring in nature and will continue to benefit the Company in coming years.

E. BUSINESS SEGMENTS AND OPERATIONAL HIGHLIGHTS

The Company has five business verticals:

i) Glass Lined Equipment (GL):

GMM Pfaudler is the largest manufacturer of Glass Lined equipment in India which is primarily used in Pharmaceutical, Speciality Chemical and Agro Chemical Industries. In FY 2017-18, 68% of the Company's total revenue came from the GLE business. The Company adopted new method of measuring production output i.e. Equivalent Units (EU's) which is based on the amount of effort that goes into making one unit rather than the actual count of the units produced. This year, the Company manufactured 1552 EU's vs 1290 EU's in the previous year. The Company also commissioned a new Natural Gas furnace during the year, which will help to increase output and lower cost in the coming year. GLE shipment and orders grew by 20% from ₹ 1779.80 Million to ₹ 2141.08 Million and by 21% from ₹ 2001.14 Million to ₹ 2412.70 Million respectively in the financial year 2017-18. The GLE business segment will continue to remain the Company's largest and most important business vertical in the coming year.

ii) Heavy Engineering (HE):

The HE business accounted for 12% of the Company's total revenue. This business line has been a focus area for the Company in the financial year 2017-18 and the Company managed to further improve its position in the market. The Company has been able to create a significant competitive advantage for itself by leveraging its brand, strong engineering capabilities, multiple code accreditations and proven track record of manufacturing complex equipment. During the year, the Company handled equipment with a total weight of 783 tons. In terms of value, the break-up of the materials used was 11% (Carbon Steel), 51% (Stainless Steel and 38% (Exotic Materials).

Management Discussion and Analysis (Contd.)

The Company also executed a large order from a fertilizer company through Toyo Engineering India Ltd. which had a total of 54 equipment. This order helped the Company to upgrade its manufacturing capabilities and project management expertise. The Company continues to leverage the Pfaudler network and was able to significantly increase exports. The Company continues to focus on exotic materials and export orders in the coming year.

iii) Mixing Systems (MS):

The MS business accounted for 8% of the Company's total revenue. The Company's cost effective and user-friendly agitators have helped Pharmaceutical, Agrochemical and Specialty Chemical Companies to improve their mixing capabilities and in turn to increase their productivity. During the year, the Company executed a large order from the Paint industry which helped to make inroads in that segment. These agitators were for Specialty mixing for its two plants at Visakhapatnam and Mysuru. The Company is also planning to target new industry segments like Resins, Inks, Biotech, Minerals, Food Processing, Petrochemicals and Pulp & Paper to grow this business line.

iv) Engineered Systems (ES):

The Company has extensive experience in designing and manufacturing complete Modular Skids and the Company commissioned new manufacturing facility during the year. The Company's shipment increased from ₹ 59.84 Million to ₹ 117.56 Million and orders increased by 91% from ₹ 110.99 Million to ₹ 210.34 Million when compared to previous year respectively. As the Company moves from being an equipment supplier to a solution provider, the Company is developing process engineering capabilities so as to provide complete modular Engineered Systems along with process guarantees to its customers.

v) Filtration & Drying (F&D):

The Company continued to strengthen its position in the market. The Company targets critical applications, such as high potency and sterile applications, where it has a competitive advantage. This business line has seen significant growth over the last few years and the Company will continue to target critical applications in the domestic and export markets to grow this business even further. F&D division also provides low cost components to its subsidiary Mavag AG.

F. MAVAG'S PERFORMANCE

Mavag AG is GMM's wholly owned subsidiary based out of Switzerland and currently contributes to 25 % of the consolidated revenue. It was acquired in 2008 and is a supplier of Filtration & Drying Equipment to the Pharma, Biotech and Fine Chemical industries. Mavag has been able to cement its position as a technology leader in Europe and with it's low cost sourcing initiative they have been able to significantly increase their market share. Mavag is also working together with Pfaudler, USA to develop the US market and has already had some success, they will continue to leverage the Pfaudler sales network to further increase their penetration and market share around the world. Mavag's profitability has also improved over the last couple of years and their performance is expected to improve in the coming years.

G. OPPORTUNITIES & THREATS

As Pharmaceutical companies in India begin to upgrade their plants and equipment, they will need good quality equipment as well as the latest technology, GMM will continue to remain a preferred supplier to these companies.

Low cost sourcing within the Pfaudler group could result in increased business from GMM.

The global economic slowdown may have an impact on the Company's exports business. Uncertain monsoon, weak investment and volatile industrial output are ongoing concerns.

Management Discussion and Analysis (Contd.)

H. RISKS AND CONCERNS

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

- **Foreign Exchange:** GMM has market exposure to foreign exchange mainly on account of exports and imports and therefore, they are subjected to the foreign exchange fluctuation risk.

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

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

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

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

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

- **Skilled Manpower:** Labourers are the key input for the Company. It can have an adverse effect on the quality of the product if the worker is unskilled.

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

- **Quality:** The quality of the product holds the topmost priority in the Company's business. As the Company caters to Pharmaceutical sector, it is of high importance to maintain and sustain the quality of the product.

  Mitigation: The Company is making its planning and review more stringent so as to bring greater granularity and predictability.

I. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

Management Discussion and Analysis (Contd.)

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

J. HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company has made concentrated efforts in establishing a robust talent management framework and a strong performance management mechanism to ensure that the Company consistently develops credible, strong and inspiring leadership. During this year, the focus of our Company has also been on ensuring effective corporate governance, making availability of critical talent for the key positions, engagement of key talent and leveraging progressive methods of employee learning and development. The Company has established an organizational structure which is agile, focused on delivering results and performing effectively in the dynamic business environment. The Company strongly believes in fostering a culture of mutual respect and trust. We have strived to ensure effective communication channels so that all employees are aligned to common business objectives.

The Company aims for excellence in all aspects of its business. It believes that one of the most important factors for keeping abreast with the market is creation of a competent workforce. Another important point is enabling a performance-driven culture. The competency framework - DNA for Success was launched in the previous year and subsequently the processes and systems are being aligned to its Success Behaviors. So far the Selection, Remuneration, Performance Appraisal, Training & Development processes have been linked to the new competency framework.

FY ’18 also saw the launch of the ‘Coaching’ program. As John Whitmore, a pioneer of executive coaching, rightly said, “Coaching is unlocking people’s potential to maximize their own performance. It is helping them to learn rather than teaching them.” External coaches have been assigned to the senior leaders to help them build on their capabilities and make them future ready. Down the line also, development plan creation has been initiated. The development plans follow the 3E principle of Experience, Exposure and Education.

Another noteworthy initiative in the year under consideration is the Employee Engagement survey that was launched named ‘Parivartan’. An engagement survey serves as an important platform where employees can share their opinion and give insights into what we need to do to make our workplace engaging and productive.

On March 31, 2018 the Company’s total permanent employee strength was 433, against 375 as on March 31, 2017.

K. CAUTIONARY NOTE

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

By Order of the Board of Directors

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

Place: Mumbai
Date: May 16, 2018

Notice:

NOTICE is hereby given that the Fifty Fifth Annual General Meeting of GMM Pfaudler Limited ("the Company") will be held on Thursday, August 9, 2018 at 12.00 noon at Sardar Vallabhbhai Patel and Veer Vithalbhai Patel Memorial, Anand-Sojitra Road, Karamsad - 388 325, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2018 (including Consolidated Financial Statements) together with the reports of the Board of Directors and auditors thereon; and in this regard, pass the following resolutions as **Ordinary Resolutions:**

   (a) **"RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018, comprising of Audited Balance Sheet as at March 31, 2018, the Statement of Profit & Loss and Cash Flow Statement for the financial year April 1, 2017 to March 31, 2018, including its Schedules and the Notes attached thereto and forming part thereof, and the reports of the Board of Directors and the Statutory Auditors thereon be and are hereby received, adopted and approved."

   (b) **"RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, comprising of Audited Consolidated Balance Sheet as at March 31, 2018, the Statement of Consolidated Profit & Loss and Cash Flow Statement for the financial year April 1, 2017 to March 31, 2018, including its Schedules and the Notes attached thereto and forming part thereof, and the reports of the Statutory Auditors thereon be and are hereby received, adopted and approved."

2. To confirm the declaration and payment of three interim dividends paid during the financial year ended March 31, 2018 and to declare final dividend for the financial year ended March 31, 2018 and in this regard, pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT the payment of first interim dividend, second interim dividend and third interim dividend made for the financial year 2017-18 of ₹ 0.70 each per equity share on 14,617,500 Equity Shares aggregating to ₹ 30,696,750 paid to the shareholders, whose names have appeared in the Register of Members as on August 21, 2017, November 17, 2017, and February 15, 2018 respectively be and is hereby confirmed.

   RESOLVED THAT a final dividend for the year ended March 31, 2018 of ₹ 1.90 per equity share on 14,617,500 equity shares aggregating to ₹ 27,773,250 to the shareholders whose name has appeared in the Register of Members as on August 2, 2018 be and is hereby approved."

3. To appoint a Director in place of Mr. Ashok Patel, who retires by rotation and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an **Ordinary Resolution:**

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

SPECIAL BUSINESS:

4. To ratify the remuneration of Cost Auditors of the Company for the financial year ending March 31, 2019 and in this regard, pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force), the payment of remuneration to M/s. Dalwadi & Associates, Cost Accountants, (Firm Registration No. 000338) of ₹ 150,000 (Rupees One lac Fifty thousand only) plus GST as applicable and reimbursement of out-of-pocket expenses, as approved by the Board of Directors of the Company, for conducting cost audit of the Company for the financial year 2018-19, 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 appoint a Director in place of Dr. Dominic Deller, who was appointed in causal vacancy upto the date upto which the Director in whose place he was appointed would have held office, if it had not been vacated and in this regard, pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Dr. Dominic Deller (DIN 02798095), who was appointed as a Director of the Company w.e.f. October 18, 2017 in casual vacancy to hold office upto the date upto which the Director in whose place he was appointed would have held office if it had not been vacated, be and is hereby appointed as Director of the Company liable to retirement by rotation."

Notice: (Contd.)

6. To appoint Mr. Nakul Toshniwal as an Independent Director and in this regard, pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per recommendation of the Nomination and Remuneration Committee, Mr. Nakul Toshniwal (DIN-00350112), who was appointed as a Director in casual vacancy by the Board of Directors in terms of Section 161 of the Act and who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act, and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from May 16, 2018 up to and including May 15, 2023 and his office shall not be liable to retirement by rotation."

7. To consider payment of remuneration to the Managing Director and in this regard, pass the following resolution 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 ('Act') read with Schedule V to the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) thereof for the time being in force), approval of shareholders received vide special resolution passed at the Annual General Meeting held on September 28, 2015 for appointment of Mr. Tarak Patel (DIN-00166183) as the Managing Director of the Company for a period of five years with effect from June 1, 2015 up to May 31, 2020 and pursuant to the recommendation of the Nomination and Remuneration Committee, the consent of the Company be and is hereby accorded for the payment of remuneration to Mr. Tarak Patel as the Managing Director of the Company for the balance term of two years, i.e. from June 1, 2018 up to May 31, 2020, upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors and the Nomination and Remuneration Committee of the Company to alter and vary the terms and conditions of the said appointment / remuneration in such manner as may be agreed between the Board and Mr. Tarak Patel.

   RESOLVED FURTHER THAT all other terms of appointment other than remuneration as approved by shareholders at the Annual General Meeting held on September 28, 2015 shall remain unchanged.

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

8. To consider Re-classification of the Promoters of the Company and in this regard, pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to Regulation 31A and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 read with the Rules framed there under, the approval of the Members be and is hereby accorded for re-classification of (i) Mrs. Panna S. Patel, (ii) Mrs. Pragna S. Patel and (iii) Ms. Palomita S. Patel, forming part of the Promoter Group of the Company from Promoter category to Public category.

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

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

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

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

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

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

Notice: (Contd.)

NOTES:

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

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

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

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

iv. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out material facts concerning the business under Item nos. 4 to 8 of the accompanying Notice, is annexed hereto.

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

vi. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 3, 2018 to Thursday, August 9, 2018 (both days inclusive).

vii. The final dividend on equity shares as recommended by the Board of Directors, if approved at the Meeting, will be paid on or before September 7, 2018;

- in respect of shares held in demat form, to the Beneficial Owners as per details furnished by Depositories viz. National Securities Depositories Limited and Central Depository Services (India) Limited as at the end of business hours on August 2, 2018 and
- in respect of shares held in physical form, to the shareholders whose names appear on the Company's Register of Members as at the end of business house on August 2, 2018.

viii. As per current SEBI Regulations, dividend is required to be credited to shareholders' bank account through National Electronic Clearing Service (NECS) wherever the facility is available and the requisite details/ mandate have been provided by the shareholders. Shareholders desirous of availing of this facility may send the ECS form (available on the website of the Company), along with a Xerox copy the cheque pertaining to the bank account where the shareholders like the payment to be credited, to their Depository Participants in case of shares held in dematerialized form or to the Company's Registrar and Share Transfer Agents ('RTA') in case of shares held in physical form.

ix. Pursuant to the provisions of Section 123 and 125 of the Companies Act, 2013, and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the amounts of dividends remaining unclaimed for a period of seven years and shares thereon shall be transferred to the Investor Education and Protection Fund ('IEPF').

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

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

The details of dividend paid for the financial year 2011-12 onwards proposed to be transferred to IEPF until the conclusion of the next Annual General Meeting are given below:

Date of declaration	Dividend Details	Dividend in ₹ per share	Due date of the proposed transfer to IEPF
3-Nov-2011	2nd Interim Dividend (2011-12)	₹ 0.70	3-Dec-2018
1-Feb-2012	3rd Interim Dividend (2011-12)	₹ 0.70	3-Mar-2019
17-Jul-2012	1st Interim Dividend (2012-13)	₹ 0.70	17-Aug-2019

Notice: (Contd.)

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

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

xii. Annual Report for the financial year 2017-18 along with the Notice of 55th Annual General Meeting, remote e-voting, proxy form and attendance slip will be sent through electronic mode to the Members whose email ids are registered with the Company/ Depositories for communication purpose unless any Member has requested for a physical copy of the same.

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

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

Members may also note that the aforesaid documents can also be downloaded from the Company’s website under the Investors Section at www.gmmpfaudler.com/content/gmmpfaudlerannualreport2017-18.pdf

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

xiii. Voting through electronic means:

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

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

The cut – off date for the purpose of remote e-voting and voting at the AGM is August 2, 2018.

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

Commencement of e-voting	:	From 10 a.m. (IST) on August 6, 2018
End of e-voting	:	Upto 5 p.m. (IST) on August 8, 2018

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

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

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

By Order of the Board of Directors

Mittal Mehta
Company Secretary
M. No. F7848

Place: Mumbai
Date: July 2, 2018

Notice: (Contd.)

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

Item No. 4

The Board, based on the recommendation of the Audit Committee, has approved the appointment of M/s. Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338) as Cost Auditors for conducting the Cost Audit of the Company for the financial year 2018-19 at a remuneration of ₹ 150,000 plus GST as applicable and reimbursement of out-of-pocket expenses.

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

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

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

Item No. 5

Dr. Dominic Deller (DIN 02798095), was appointed as a Non-Executive Director of the Company w.e.f. October 18, 2017, nominated by Pfaudler Inc., USA – Foreign Promoters of the Company, to fill the casual vacancy caused by the resignation of Mr. Tom Alzin.

Pursuant to provisions of Section 161 of the Companies Act, 2013 read with Article 119 of the Articles of Association of the Company, Dr. Dominic Deller holds office upto which the Director in whose place he was appointed would have held office if it had not been vacated.

A brief profile of Dr. Deller is annexed to this Notice as Annexure ‘I’.

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

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

Item No.6

Pursuant to provisions of Section 161 of the Companies Act, 2013 read with Article 119 of the Articles of Association of the Company, Mr. Nakul Toshniwal was appointed as an Independent Director on the Board w.e.f. from May 16, 2018 subject to approval of shareholders of the Company.

Pursuant to provisions of Sections 149 and 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mr. Nakul Toshniwal as an Independent Director of the Company for a term of five consecutive years from May 16, 2018 up to and including May 15, 2023 and his office shall not be liable to retirement by rotation.

A brief profile of the said Independent Director, nature of his expertise in specific functional areas and names of Companies in which he hold directorship and membership / chairmanship of Board Committees, shareholding and relationship between directors inter-se as stipulated under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2017 is annexed to this Notice as Annexure ‘I’.

Mr. Toshniwal does not hold any shares in the Company. Further, Mr. Toshniwal has given a declaration to the Board of Directors to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Board of Directors believes that vast experience and knowledge of Mr. Toshniwal in the fields of Pharmaceutical & Finance Industries will be beneficial for the progress of the Company. Hence, in the interest of the Company, the Board recommends the appointment of Mr. Nakul Toshniwal as Independent Director as set out at Item No. 6 of the Notice.

Upon the confirmation of the appointment of Mr. Toshniwal as an Independent Director by the Members of the Company, the appointment shall be formalized by the issue of a letter of appointment. Copy of the draft letter of appointment to be issued to Mr. Toshniwal as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

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

Notice: (Contd.)

Item No. 7

Mr. Tarak Patel was appointed as the Managing Director of the Company for a period of 5 years w.e.f. June 1, 2015 upto May 31, 2020. The terms of his appointment as approved by the Shareholders of the Company at the Annual General Meeting held on September 28, 2015 entitles him for a remuneration plus Commission and other perquisites as may be determined by the Board of Directors from time to time, subject to a limit of 5% of the net profits of the Company calculated in accordance with Section 198 of the Companies Act, 2013 for a period of three years w.e.f June 1, 2015 up to May 31, 2018.

In terms of the aforesaid resolution approved by members of the Company, the Managing Director was paid remuneration of ₹ 5,000,000/- (Rupees Fifty lacs only) per annum for the period from June 1, 2015 upto March 31, 2017.

Pursuant to the said resolution, the Board of Directors of the Company as per the recommendation of Nomination and Remuneration Committee approved revision in remuneration of the Managing Director from ₹ 5,000,000 per annum to ₹ 7,500,000 per annum w.e.f. April 1, 2017.

Since, the term of remuneration of the Managing Director as approved by shareholders of the Company is valid upto May 31, 2018, it is proposed to seek your approval for the remaining term of two years i.e. from June 1, 2018 up to May 31, 2020.

The Nomination and Remuneration Committee, after considering performance of the Managing Director and the Company, remuneration drawn by peers and prevailing industry norms, recommended remuneration to be paid to Mr. Tarak Patel, Managing Director as under:

a) ₹ 8,500,000 per annum w.e.f. April 1, 2018 to March 31, 2019

b) ₹ 10,000,000 per annum w.e.f. April 1, 2019 upto May 31, 2020 (i.e. upto expiry of MD's term of five years)

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

Remuneration:

1. Basic Salary: ₹ 573,000 per month for FY 2018 -19 and ₹ 833,333/- per month from April 1, 2019 to May 31, 2020.
2. Medical expenses incurred for self and his family at actuals as per the Company policy.
3. Premium on Personal Accident Insurance Policy as per the Company policy.
4. Leave Travel allowance incurred for self and his family as per the Company policy.
5. Contribution to the Provident Fund, Gratuity and Superannuation Fund or Annuity Fund and National Pension Scheme as per the Company policy.
6. Leave and encashment of leave as per the Company policy.

Perquisites:

1. Reimbursement of expenses on actuals pertaining to electricity, telephone & other related expenses as per the Company policy.
2. Car for use of Company's business as per Company car policy.
3. Fees of clubs, subject to a maximum of two clubs.

Others:

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

Commission:

The Managing Director shall also be entitled to receive commission in addition to the aforesaid salary and perquisites as may be recommended by the Nomination and Remuneration Committee based on the net profits of the Company of the respective financial year.

Overall Remuneration:

The aforesaid remuneration, perquisites and commission payable to Mr. Tarak Patel is subject to the overall limit of 5% of the net profits of the Company, as prescribed under Section 197 read with Schedule V of the Companies Act, 2013.

In absence of / or in case of inadequacy of profits in any financial year during his tenure, he shall be paid salary and perquisites referred above, as minimum remuneration subject to the overall limits prescribed in that behalf under Section II of Schedule V of the Companies Act, 2013 and or any statutory modifications or re-enactment thereof from time to time in force as may be decided by the Board of Directors of the Company.

Other terms of appointment of the Managing Director as approved by shareholders vide resolution passed on September 28, 2015 shall remain unchanged.

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:

Notice: (Contd.)

I. GENERAL INFORMATION

NATURE OF INDUSTRY

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

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

FINANCIAL PERFORMANCE

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

(₹ in Million)

	31.03.2018	31.03.2017	31.03.2016
Revenue from Operations (Net of excise duty)	3,124.10	2,663.07	2,296.01
EBIDTA	532.32	460.30	352.32
Profit After Tax	283.75	282.20	183.58
Networth	1,858.05	1,648.03	1,437.73
EPS	19.41	17.84	12.56
ROCE	15.27%	15.82%	12.77%

FOREIGN INVESTMENTS OR COLLABORATIONS

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

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

II. INFORMATION ABOUT THE APPOINTEE

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

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

Mr. Tarak Patel joined the Company in 2005 as Vice President – Sales & Marketing and was thereafter appointed as Executive Director on the Board of GMM 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, launched a five year Strategic Plan "Mission 2020" and 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.

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

Mr. Tarak Patel serves as Director on the Boards of Skyline Millars Ltd. and Ready Mix Concrete Ltd.

REMUNERATION

The proposed remuneration of Mr. Tarak Patel is comparable with remuneration norms in the industry having regard to the size and products of the Company.

JOB PROFILE AND SUITABILITY

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

PECUNIARY RELATIONSHIP DIRECTLY OR INDIRECTLY WITH THE COMPANY

Mr. Tarak Patel is the son of Mr. Ashok Patel, the Indian Promoter & Non-Executive Director of the Company. Mr. Tarak Patel along with his relatives holds 8.55% of the shares in the Company.

Notice: (Contd.)

III. OTHER INFORMATION

For the year ended March 31, 2018, the Company reported a net profit of ₹ 283.75 Million.

Demand for Company's product and services continue to be strong. The Company continues to have a healthy backlog 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 from technology transfer and synergic benefits of subsidiary Company, Mavag AG, the Company is expected to achieve the sales and profit growth of 15% CAGR for coming 3 years on year to year basis.

A brief profile of Mr. Tarak Patel is annexed to this Notice as Annexure 'I'.

The Board recommends the resolution at Item No. 7 of the accompanying Notice for approval of the members as a Special Resolution.

Except Mr. Tarak Patel and his relatives, who are named in the Promoter Group of the Company and Mr. Ashok Patel being the father of Mr. Tarak Patel, none of the Directors and / or Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

Item No. 8

The Company has received letters dated June 25, 2018 from (i) Mrs. Panna Patel, (ii) Mrs. Pragna Patel and (iii) Ms. Palomita Patel, Promoters of the Company, for re-classification from Promoter category to Public category under Regulation 31A (2) & (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Details of their shareholding in the Company are as under:

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

Mrs. Panna Patel (aged 75 years) and Mrs. Pragna Patel (aged 77 years) are the sisters of Mr. Ashok Patel, Director and hold equity shares in the Company as stated in table given above. Ms. Palomita Patel (aged 49 years) is the daughter of Mrs. Panna Patel and holds equity shares in the Company as stated in table given above.

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

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

The proposed re-classification of the shareholding of the Promoter Group mentioned in table given above is not pursuant to Regulation 31A (5) or (6) of the Listing Regulations, 2015.

However, as a matter of abundant precaution, the Board of Directors recommends passing of Special Resolution as set out at Item No. 8 of this Notice.

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

By Order of the Board of Directors

For GMM Pfaudler Limited

Mittal Mehta
Company Secretary
M. No. FCS 7848

Place: Mumbai
Date: July 2, 2018

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

Annexure 'I'

Details of Directors seeking appointment / re-appointment at the Annual General meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are as under:

Name of Director	**Mr. Ashok Patel**
Age	73 years
Qualifications	B.Sc degree from the University of Manchester Institute of Science & Technology, UK and a MBA from the Columbia University, USA.
Experience	45 years
Terms and Conditions of re-appointment along with details of remuneration sought to be paid	N.A.
Remuneration last drawn from the Company	Nil
Nature of expertise in specific functional areas	Management
Date of first appointment on the Board	January 1, 1988
No. of shares held in the Company as on March 31, 2018	6,745
Relationship with other Directors, Manager and other Key Managerial Personnel	Mr. Ashok Patel is the father of Mr. Tarak Patel, Managing Director of the Company
No. of Meetings of the Board attended during the year	4
Directorship in other Companies as on March 31, 2018	1. Skyline Millars Ltd. 2. Readymix Concrete Ltd. 3. GMM Mavag AG 4. Mavag AG 5. Dietrich Engineering Consultants India Pvt. Ltd. 6. Millars Machinery Company Pvt. Ltd. 7. Millars Concrete Technologies Pvt. Ltd. 8. Uttarak Enterprises Pvt. Ltd. 9. Lugaia Pharma Liners Pvt. Ltd.
Chairmanship/Membership of Committees of other Board	NIL

Name of Director	**Mr. Tarak Patel**
Age	42 years
Qualifications	B.A. in Economics from the University of Rochester, USA and a MBA jointly conferred by Columbia Business School, London Business School and University of Hong Kong Business School.
Experience	18 years
Terms and Conditions of re-appointment along with details of remuneration sought to be paid	N.A.
Remuneration last drawn	₹ 16.82 million
Nature of expertise in specific functional areas	Management
Date of first appointment on the Board	January 30, 2007
No. of shares held in the Company as on March 31, 2018	173,960
Relationship with other Directors, Manager and other Key Managerial Personnel	Mr. Tarak Patel is the son of Mr. Ashok Patel, Director of the Company
No. of Meetings of the Board attended during the year	5
Directorship in other Companies as on March 31, 2018	1. Skyline Millars Ltd. 2. Readymix Concrete Ltd. 3. Dietrich Engineering Consultants India Pvt. Ltd. 4. Millars Machinery Company Pvt. Ltd. 5. Millars Concrete Technologies Pvt. Ltd. 6. Uttarak Enterprises Pvt. Ltd. 7. Concrete Construction & Engineering Co. Pvt. Ltd.
Chairmanship/Membership of Committees of other Board	2

Annexure 'I' (Contd.)

Details of Director seeking re-appointment at the Annual General meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are as under:

Name of Director	Mr. Dominic Deller
Age	49 years
Qualifications	Masters degree and a Ph.D in Business Administration from Frankfurt/Main University, Germany and a post-graduate degree in Business Analysis from Lancaster University, UK.
Experience	26 years
Terms and Conditions of re-appointment along with details of remuneration sought to be paid	N.A.
Remuneration last drawn from the Company	Nil
Nature of expertise in specific functional areas	Management
Date of first appointment on the Board	October 18, 2017
No. of shares held in the Company as on March 31, 2018	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	N.A.
No. of Meetings of the Board attended during the year	3
Directorship in other Companies as on March 31, 2018	1. Pfaudler UK Ltd. 2. Pfaudler GmbH.
Chairmanship/Membership of Committees of other Board	Nil

Name of Director	Mr. Nakul Toshniwal
Age	43 years
Qualifications	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.
Experience	19 years
Terms and Conditions of re-appointment along with details of remuneration sought to be paid	N.A.
Remuneration last drawn from the Company	Nil
Nature of expertise in specific functional areas	Management
Date of first appointment on the Board	May 16, 2018
No. of shares held in the Company as on March 31, 2018	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	N.A.
No. of Meetings of the Board attended during the year	N.A.
Directorship in other Companies as on March 31, 2018	1. Nuleap Technologies Pvt. Ltd. 2. Toshvin Analytical Pvt. Ltd. 3. Toshvin Techtrade Pvt. Ltd. 4. Trikaal Mediinfotech Pvt. Ltd. 5. Wiff Waff Hospitality Pvt. Ltd. 6. Kodaikanal International School 7. Rachna Trust 8. Annuradha Toshniwal Trust 9. Shri Vinay Toshniwal Memorial Trust 10. Vinay Toshniwal HUF 11. Caroa Properties LLP 12. Royal Opera Music LLP
Chairmanship/Membership of Committees of other Board	Nil

Board's Report

To the Members:

The Directors have pleasure in presenting the Fifty-Fifth Annual Report along with the Audited Statement of Accounts of the Company for the year ended March 31, 2018.

1. SUMMARY OF THE FINANCIAL RESULTS:

(₹ in Million)

	STAND-ALONE	
Particulars	**31.03.2018**	**31.03.2017**
Revenue from operations (Net of excise duty)	3,124.10	2,663.07
Profit before tax	438.95	377.49
Profit after tax	283.75	260.72

During the financial year 2017-18, on a stand-alone basis, revenue was up by 17%, Profit before tax was up by 16% and Profit after tax was up by 9% over last year.

(₹ in Million)

	CONSOLIDATED	
Particulars	**31.03.2018**	**31.03.2017**
Revenue from operations (Net of excise duty)	4,056.99	3,530.30
Profit before tax	606.51	440.60
Profit after tax	426.76	311.22

During the financial year 2017-18, on a consolidated basis, revenue was up by 15%, Profit before tax was up by 38% and Profit after tax was up by 37% over last year.

2. DIVIDEND:

During the year under review, the Board of Directors declared and paid three interim dividends of ₹ 0.70 per share each aggregating to ₹ 2.10 per share. The total amount distributed as interim dividends on the paid-up share capital for the year amounted to ₹ 30.70 Million (excluding dividend tax of ₹ 6.25 Million).

Based on the performance of the Company for the year, the Board of Directors is pleased to recommend a final dividend of ₹ 1.90 per equity share subject to approval of the Shareholders at the Annual General Meeting, which if approved will absorb ₹ 27.77 Million towards dividend and ₹ 5.69 Million as dividend tax.

The aggregate amount of interim dividends paid during the year and the final dividend recommended for the financial year ended March 31, 2018 amounts to ₹ 4.00 per share i.e. ₹ 58.47 Million (excluding dividend tax of ₹ 11.90 Million).

3. TRANSFER TO RESERVES:

During the year under review, no amount is proposed to be transferred to General Reserve out of the net profits of the Company for the financial year 2017-18. Hence, the entire amount of profit has been carried forward to the Profit & Loss Reserve Account.

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

The performance and financial position of Karamsad Holdings Limited, Karamsad Investments Limited, GMM Mavag AG and Mavag AG, the wholly owned subsidiaries of the Company for the year ended March 31, 2018 are set out as 'Annexure A' forming a part of this Report.

5. REVISION OF FINANCIAL STATEMENTS:

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

6. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:

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

7. INTERNAL CONTROL SYSTEMS:

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

8. MANAGEMENT DISCUSSION & ANALYSIS:

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

9. CORPORATE GOVERNANCE:

The Report on Corporate Governance as stipulated under Regulation 34 of the Listing Regulations is presented in a separate section forming a part of this Report.

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

10. CORPORATE SOCIAL RESPONSIBILITY POLICY:

The Board has constituted a Corporate Social Responsibility ("CSR") Committee as per the provisions of Section 135 of the Companies Act, 2013. The Board has also framed a CSR Policy as per the recommendations of the CSR Committee. The CSR Policy is available on the Company's website at www.gmmpfaudler.com/content/CSR_Policy.pdf

The composition of the Committee, contents of CSR Policy and report on CSR activities carried out during the financial year ended March 31, 2018 in the format prescribed under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are set out as 'Annexure B' forming a part of this Report.

11. RELATED PARTY TRANSACTIONS:

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

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

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

Policy on dealing with related party transactions, as approved by the Board, is available on the Company's website at www.gmmpfaudler.com/content/RPT_Policy.pdf

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

12. RISK MANAGEMENT POLICY:

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

13. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP):

A. DIRECTORS:

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

As on date, Dr. S. Sivaram, Dr. Amrita Patel and Mr. Nakul Toshniwal are the Independent Directors on the Board. The Company has received declarations from all these Independent Directors confirming that they meet with the criteria of independence prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

During the year under review, Dr. Dominic Deller was appointed as an Alternate Director to Mr. Thomas Kehl for attending the Board Meeting held on August 10, 2017. Accordingly, he ceased to be a Director w.e.f. the close of business hours of August 10, 2017.

Mr. Tom Alzin resigned as a Director w.e.f. October 11, 2017. Further, Dr. Dominic Deller was appointed as a Director w.e.f. October 18, 2017 to fill in the vacancy caused by the resignation of Mr. Tom Alzin.

Mr. P. Krishnamurthy, Independent Director resigned as a Director of the Company w.e.f. May 14, 2018 pursuant to proviso of sub-section (1) of Section 167 of the Act, notified by the Ministry of Company Affairs vide notification dated May 7, 2018. Mr. Nakul Toshniwal was appointed as an Independent Director of the Company w.e.f. May 16, 2018 to fill in the casual vacancy created by the resignation of Mr. P. Krishnamurthy, subject to approval of the shareholders.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Ashok Patel, 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. In accordance with the provisions of the Act, none of the Independent Directors is liable to retire by rotation.

B. KEY MANAGERIAL PERSONNEL:

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

Board's Report (Contd.)

C. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, and in relation to the audited financial statements of the Company for the year ended March 31, 2018, the Board of Directors hereby confirms that:

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

b. such accounting policies have been selected and applied consistently and the Directors have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for that year;

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

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

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

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

D. MEETINGS OF THE BOARD:

Five (5) Meetings of the Board of Directors were held during the financial year ended March 31, 2018. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report.

E. AUDIT COMMITTEE:

The Audit Committee as on date comprises of four members viz. Dr. S. Sivaram, Dr. Amrita Patel, Mr. Nakul Toshniwal (Independent Directors) and Dr. Dominic Deller (Non-Executive Director). The Role of the Committee is provided in the Corporate Governance Report. All the recommendations made by the Audit Committee during the year were accepted by the Board.

F. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Pursuant to Section 178 of the Companies Act, 2013, the Stakeholder's Relationship Committee constituted by the Board of Directors to deal with the matters related to stakeholders' grievances met 4 times during the financial year.

The details of status of grievances received from various stakeholders during the financial year are furnished in the Corporate Governance Report.

G. NOMINATION, REMUNERATION AND EVALUATION POLICY:

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

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

H. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, and the Listing Regulations, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board, by way of individual and collective feedback from Directors.

The Evaluation Criteria applied are:

(a) For Independent Directors:

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

(b) For Executive Directors

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

The Directors expressed their satisfaction with the evaluation process.

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, 2018 are available on the Company's website at www.gmmpfaudler.com /content/FamiliarizationProgramme.pdf

J. SECRETARIAL STANDARDS:

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

14. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:

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

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

No instance under the Whistle Blower Policy was reported during the financial year 2017-18.

15. PUBLIC DEPOSITS:

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

16. AUDITORS AND AUDITORS' REPORT:

A. STATUTORY AUDITORS:

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

The Auditors' Report for the financial year ended March 31, 2018 report does not contain any reservation, qualification or adverse remark. The notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

B. SECRETARIAL AUDIT:

Secretarial Audit Report obtained pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under, from M/s. Rathi and Associates, Practicing Company Secretaries for the financial year 2017-18 is set out at 'Annexure D' forming a part of this Report.

The Secretarial Auditors Report for the financial year ended March 31, 2018 does not contain any reservation, qualification or adverse remark.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under, the Board of Directors has appointed M/s. Rathi and Associates, Practicing Company Secretaries for conducting Secretarial Audit Report of the Company for the financial year 2018-19.

C. COST AUDITORS:

M/s. Dalwadi & Associates, Cost Accountants, Ahmedabad, Cost Auditors of the Company for the financial year 2017-18 have been re-appointed as Cost Auditors for conducting audit of the cost accounting records maintained by the Company in respect of its manufacturing activities for the financial year 2018-19. Necessary resolution for ratification of payment of remuneration to the said Cost Auditors is included in the Notice of the Annual General Meeting dated July 2, 2018.

D. INTERNAL AUDITORS:

M/s. Kalyaniwalla & Mistry, Chartered Accountants have been re-appointed as Internal Auditors of the Company for the financial 2018-19.

17. STATUTORY STATEMENTS:

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

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are set out at 'Annexure E' forming a part of this Report.

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

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since March 31, 2018. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

Board's Report (Contd.)

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

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

D. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2018 made under the provisions of Section 92(3) of the Act is set out at 'Annexure G' forming a part of this Report.

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

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

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

The particulars of loans given and investments made during the financial year under Section 186 of the Companies Act, 2013 are given at Notes forming part of the Financial Statements. During the financial year, the Company has neither provided any securities nor provided corporate guarantees for loans availed by the others.

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

None of the Directors or Key Managerial Personnel had received any remuneration / commission from Holding or Subsidiary Company and hence, disclosure of receipt of remuneration/commission by Key Managerial Personnel from the Holding or Subsidiary Company of the Company is not applicable.

18. LISTING ON THE NATIONAL STOCK EXHANGE OF INDIA:

The Board of Directors of the Company is pleased to inform that the equity shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") effective from March 5, 2018 and have been identified by its designated code 'GMMPFAUDLR'.

19. 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 2017-18:

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

20. ACKNOWLEDGEMENT:

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

By Order of the Board of Directors

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

Place: Mumbai
Date: May 16, 2018

Annexure 'A'

PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

As on financial year ended on March 31, 2018

(₹ in Million)

Sr. No	Name of the subsidiary	Karamsad Holding Limited	Karamsad Investment Limited	GMM Mavag AG	*Mavag AG
1	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A.	N.A.	N.A.	N.A.
2	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	N.A.	N.A.	CHF 68.63	CHF 68.63
3	Share capital	3.50	2.60	343.15	102.95
4	Reserves and Surplus	1.20	1.93	4.30	405.41
5	Total Assets	4.76	4.53	349.22	862.59
6	Total Liabilities	0.06	-	1.77	354.23
7	Investments	-	-	343.15	-
8	Turnover	-	-	-	1,022.60
9	Profit before taxation	0.06	(0.01)	4.14	159.09
10	Provision for taxation	0.03	-	-	25.96
11	Profit after taxation	0.03	(0.01)	4.14	133.13
12	Proposed Dividend	-	-	-	-
13	% of shareholding	100%	100%	100%	100%

*wholly owned subsidiary of GMM Mavag AG.

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN : 00166183

Place: Mumbai
Date: May 16, 2018

Annexure 'B'

ANNUAL REPORT ON CSR ACTIVITIES

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

   CSR Vision:

   The Company's CSR vision is based on the principles of embedded tenets of trust, fairness and care. The CSR initiatives focus on the following keystones:

   a. To actively initiate projects and/ or participate in projects to improve the environment and the life of people living near its manufacturing facilities.

   b. To strive to provide vocational training to improve skills of people in the primarily unorganized sector.

   c. To create social value and also allowed individual employees to contribute in the various programs.

   d. To manage its operations using principles of sustainable development to minimize impact on environment and protect health & safety of our employees, service providers, neighbouring communities and customers.

   The CSR initiatives undertaken by the Company so far have been in the areas of basic healthcare, environment and education. Going forward, the Company would continue to carry our CSR activities as it has been carrying out over the years in the areas of education and healthcare as specified in Schedule VII to the Companies Act, 2013.

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

2. **The present composition of the CSR committee.**

   The members of the committee comprises of:

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

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

   Average Profits for the last three financial years calculated as per Section 198 of the Companies Act, 2013: ₹ 314.61 Million

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

   ₹ 6.29 Million

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

   ₹ 0.69 Million

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

   (a) Total amount spent for the financial year: ₹ 6.92 Million

   (b) Amount unspent, if any: ₹ 0.06 Million

Annexure 'B' (Contd.)

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

(₹ in Million)

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Location of Projects or programs	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency (IA)
1.	Project "Sparsh"- Promoting rural healthcare	Promoting healthcare including preventive healthcare	Karamsad, Dist. Anand, Gujarat	2.80	2.80	7.06	Through IA - Charutar Arogya Mandal
2.	Maintenance of Public Facilities at Sardar Patel Memorial	Ensuring Environmental Sustainability	Karamsad, Dist. Anand, Gujarat	0.64	0.64	0.64	Through IA - Sardar Patel Trust
3.	Vocational Skill Development (Annual Operating Program)	Promoting education and enhancing vocational skills	Karamsad, Dist. Anand, Gujarat	0.70	0.70	0.70	Through IA – J. V. Patel Industrial Training Institute
4.	Vocational Skill Development (Upgrading Fitter, Electrical and Sheet Metal Trade.)	Promoting education and enhancing vocational skills	Karamsad, Dist. Anand, Gujarat	2.63	2.63	2.63	Through IA – J. V. Patel Industrial Training Institute
5.	Contribution to "AWAAZ" – Promoting gender equality and ensuring environment sustainability	Ensuring Environmental Sustainability	Mumbai, Maharashtra	0.15	0.15	0.15	Through IA - The Institute of Chemical Technology for their NGO "AWAAZ"
			Total	6.92	6.92	11.18	

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

The CSR Committee implements and monitors various CSR projects undertaken by the Company during the year. The Company was required to spend an amount of ₹ 6.98 Million towards CSR expenses including unspent amount from previous years, out of which the Company has spent ₹ 6.92 Million during the financial year 2017-18. The Company plans to spend the unspent amount of ₹ 0.06 Million on its various ongoing CSR projects by the end of financial year 2018-19.

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

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

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN : 00166183

Place: Mumbai
Date: May 16, 2018

Annexure 'C'

NOMINATION, REMUNERATION AND EVALUATION POLICY

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

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

1. Purpose

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

2. Accountabilities

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

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

3. Appointment of Directors' & KMP's

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

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

3.2 Personal specifications:

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

3.3 Letters of Appointment

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

4. Remuneration of Directors and Key Managerial Personnel

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

Annexure 'C' (Contd.)

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

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

4.1 Remuneration of the Managing Director and Executive Director(s) is recommended by the Committee to the Board of the Company and approved by the shareholders of the Company.

(i) Remuneration:

a) Base Compensation (fixed salaries

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

b) Variable salary

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

(ii) Statutory Requirements:

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

Annexure 'C' (Contd.)

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

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

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

5. Evaluation/ Assessment of Directors and KMPs of the Company

The evaluation/assessment of the Directors and KMPs of the Company is to be conducted on an annual basis and to satisfy the requirements of the Listing Agreement.

The following criteria may assist in determining how effective the performances of the Directors and KMPs have been:

- Leadership & stewardship abilities
- contributing to clearly define corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- obtain adequate, relevant & timely information from external sources.
- review & approval achievement of strategic and operational plans, objectives, budgets
- regular monitoring of corporate results against projections
- identify, monitor & mitigate significant corporate risks
- assess policies, structures & procedures
- direct, monitor & evaluate KMPs
- review management's succession plan
- effective meetings
- assuring appropriate board size, composition, independence, structure
- clearly defining roles & monitoring activities of committees
- review of corporation's ethical conduct

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

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

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN : 00166183

Place: Mumbai
Date: May 16, 2018

Annexure 'D'

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

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

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

Dear Sirs,

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by GMM Pfaudler Limited ("the Company") as given in Annexure I, for the Financial Year ended on 31st March, 2018, according to the provisions of:
   (i) The Companies Act, 2013 (the Act) and the rules made there under;
   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
      i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
      ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
      iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
   i. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations,1993,regarding the Companies Act and dealing with client;
   ii. The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998;
   iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   iv. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   v. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
3. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings were not attracted under the financial year under report.
4. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other laws were specifically applicable to the Company.

We have also examined compliance with the applicable clauses Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

Annexure 'D' (Contd.)

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one woman Director in compliance with the provisions of the Companies Act, 2013.

The Board of Directors of the Company has a proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one woman Director in compliance with the provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors occurred during the year under report and resignation of Mr. P. Krishnamurthy with effect from 14th May 2018, who resigned pursuant to proviso to sub section (1) of Section 167 of the Act, notified by Ministry of Corporate Affairs vide Notification dated 7th May 2018, were carried out in compliance with the provisions of the Act.

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

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

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

For Rathi & Associates
Company Secretaries

Himanshu S. Kamdar
Partner
FCS No. 5171
C.P. No. 3030

Place: Mumbai
Date: May 16, 2018

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

ANNEXURE - I

List of documents verified:

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended March 31, 2017.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Share Transfer Committee, Independent Directors Committee along with Attendance Registers thereof, in respect of the meetings held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Policies under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and the Companies Act, 2013.
6. Statutory Registers under the Companies Act, 2013.
7. Notice and Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
9. Intimations received from directors under the prohibition of Insider Trading Code.
10. E-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
11. Intimations / documents / reports / returns filed with the Stock Exchange pursuant to the provisions of LODR and SAST Regulations during the financial year under report.

Annexure 'D' (Contd.)

ANNEXURE - II

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

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

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

For Rathi & Associates
Company Secretaries

Himanshu S. Kamdar
Partner
FCS No. 5171
C.P. No. 3030

Place: Mumbai
Date: May 16, 2018

Annexure 'E'

DISCLOSURE PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014

A. CONSERVATION OF ENERGY:

(a) Steps taken or impact on conservation of energy:

1. Installed third Natural Gas furnace which is being used instead of the electrical furnaces. We have converted avg. 408,000 KWH / Month into green energy by using this furnace. This has reduced the average cost of glass lining.
2. Installed Radio Remote Control (RRC) for component assembly crane to minimize crane operator requirement and saved manpower.
3. Installed Variable Frequency Drives (VFD) on 3 cranes and 5 rollers for energy saving and reduction of equipment breakdown.
4. Installed 13 Air Conditioners with 3 star energy ratings (Cap 1.5T x 5 Nos, Cap 1T x 8Nos).
5. Installed a total of 1.8 KW LED lighting (36W x 27 nos, 12W x 27 nos, 15W x 13 nos, 10W x 30 nos) in office building and saved upto 50% power consumption.
6. Installed Inverter base TIG welding machines (29 nos.) and saved upto 30% power consumption.

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

1. The Company owns and maintains windmills with a total generating capacity of 1.8 MW. The windmills generate about 1.77 Million units per annum.

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

1. Retrofitted 3 nos. overhead cranes to reduce breakdowns and increase crane utilization.
2. Retrofitted 2 Lathe machines to improve machine geometry, reduce breakdown and increase productivity.
3. Re-conditioned the plate bending machine roller to ensure zero dent mark on SS plate during rolling operation.
4. Upgraded Electrical installation in Glass Lined Fabrication facility.
5. Installed STP (Sewage Treatment Plant) for sewage discharge to comply with Norms of GPCB (Gujarat Pollution Control Board).

(d) Capital investment on energy conservation equipment: 74.57 Million

B. TECHNOLOGY ABSORPTION:

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

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

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

(a) The details of technology imported – NIL

(b) The year of import – N.A.

(c) Whether the technology been fully absorbed – N.A.

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof – N.A.

(iv) The expenditure incurred on Research & Development:

(₹in Million)

	Year ended 31.03.2018	Year ended 31.03.2017
Capital Expenditure	-	-
Recurring Expenditure	11.02	12.11
Total	11.02	12.11
Total R & D Expenditure as % of Total Turnover	0.35%	0.45%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹in Million)

	Year ended 31.03.2018	Year ended 31.03.2017
Actual Foreign Exchange earnings	278.11	160.90
Actual Foreign Exchange outgo	246.00	143.84

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN : 00166183

Place: Mumbai
Date: May 16, 2018

Annexure 'F'

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

1. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Operating Officer, Company Secretary and ratio of the remuneration of each Director to the Median remuneration of the employees of the Company for the financial year 2017-18:**

Name of Director	Percentage increase in remuneration	Ratio of remuneration of each Director / KMP to Median remuneration of employees
*Dr. S. Sivaram - Non-Executive & Independent Director	N.A.	N.A.
*Dr. Amrita Patel - Non-Executive & Independent Director	N.A.	N.A.
*Mr. Ashok Patel - Non-Executive Director	N.A.	N.A.
#Mr. Thomas Kehl - Non-Executive Director	N.A.	N.A.
*Mr. Khurshed Thanawalla - Non-Executive Director	N.A.	N.A.
#Mr. Tom Alzin - Non-Executive Director (ceased to be a Director wef October 11, 2017)	N.A.	N.A.
$Dr. Dominic Deller – Non-Executive Director (appointed wef October 18, 2017)	N.A.	N.A.
*^Mr. P. Krishnamurthy – Non-Executive & Independent Chairman	N.A.	N.A.
Mr. Tarak Patel – Managing Director	20	47
Mr. Ashok Pillai - Chief Operating Officer	15	22
Mr. Jugal Sahu - Chief Financial Officer	13	17
Ms. Mittal Mehta - Company Secretary & Compliance Officer	16	4

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

Sitting fee waiver given vide letter dated July 30, 2015

$ Sitting fee waiver given vide letter dated August 10, 2017 and October 18, 2017

^ resigned w.e.f. May 14, 2018

2. **The percentage increase in the median remuneration of employees in the financial year ended March 31, 2018: 20%**
3. **The number of permanent employees on the rolls of the Company: 433**
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. 2017-18 was 9%, whereas the increase in the managerial remuneration for the same financial year was 17%. The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also as per the market trend.
5. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

   Remuneration paid to Directors, Key Managerial Personnel and other employees is as per the remuneration policy of the Company.

Annexure 'F' (Contd.)

6. **List of employees of the Company drawing salary not less than ₹ 102 lacs per annum or ₹ 8.50 lacs per month during the financial year 2017-18:**

Name	Designation	Remuneration	Qualifications	Experience (in years)	Joining date	Age (in years)	Last employ-ment
Mr. Tarak Patel	Managing Director	20.25 Million p.a.	BA, University of Rochester, USA; MBA jointly conferred by Columbia Business School, London Business School and University of Hong Kong (HKU) Business School	17	15.01.2001	42	-

Notes:

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

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

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN : 00166183

Place: Mumbai
Date: May 16, 2018

Annexure 'G'

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON MARCH 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

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

Annexure 'G' (Contd.)

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

IV. SHARE HOLDING PATTERN

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

a) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a)Individual/HUF	1,301,045	-	1,301,045	8.90	1,301,045	-	1,301,045	8.90	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2,036,480	-	2,036,480	13.93	2,036,480	-	2,036,480	13.93	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (Trust)	253,125	-	253,125	1.73	253,125	-	253,125	1.73	-
Sub-total(A)(1):	3,590,650	-	3,590,650	24.56	3,590,650	-	3,590,650	24.56	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	7,372,475	-	7,372,475	50.44	7,372,475	-	7,372,475	50.44	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	**7,372,475**	**-**	**7,372,475**	**50.44**	**7,372,475**	**-**	**7,372,475**	**50.44**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**10,963,125**	**-**	**10,963,125**	**75.00**	**10,963,125**	**-**	**10,963,125**	**75.00**	**-**

Annexure 'G' (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	80,000	-	80,000	0.55	+0.55
b) Banks / FI	525	225	750	0.00	225	-	225	0.00	-
c) Central Govt	-	-	-	-	40,512	-	40512	0.27	+0.27
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	54,448	-	54,448	0.37	54,448	-	54,448	0.37	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	5,667	-	5,667	0.04	3,377	-	3,377	0.02	(0.02)
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	**60,640**	**225**	**60,865**	**0.42**	**178,562**	**-**	**178,562**	**1.22**	**+0.80**
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	603,667	75	603,742	4.13	580,832	75	580,907	3.97	(0.16)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lacs	2,165,796	252,165	2,417,961	16.54	2,104,503	201,825	2,306,328	15.78	(0.76)
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lacs	199,755	118,125	317,880	2.17	197,303	118,125	315,428	2.16	(0.01)
c) Any Other (Clearing member)	15,171	-	15,171	0.10	22,815	-	22,815	0.16	+0.06
c-i) Any Other (Trust)	20,732	-	20,732	0.14	20,732	-	20,732	0.14	-
c-ii) Any Other (Non Resident Indians)	217,239	785	218,024	1.49	228,818	785	229,603	1.57	+0.08
Sub-total(B)(2):	**3,222,360**	**371,150**	**3,593,510**	**24.58**	**315,5003**	**320,810**	**347,5813**	**23.78**	**(0.80)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**3,283,000**	**371,375**	**3,654,375**	**25.00**	**3,333,565**	**320,810**	**3,654,375**	**25.00**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Grand Total (A+B+C)	**14,246,125**	**371,375**	**14,617,500**	**100.00**	**14,296,690**	**320,810**	**14,617,500**	**100.00**	**-**

Annexure 'G' (Contd.)

b) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			No. of Shares held at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Pfaudler Inc	7,372,475	50.44	-	7,372,475	50.44	-	-
2	Millars Machinery Company Pvt. Ltd.	1,625,595	11.12	-	1,625,595	11.12	-	-
3	Ashok Patel	498,120	3.41	-	6,745	0.05	-	-3.36
4	Uttarak Enterprise Pvt. Ltd.	410,885	2.81	-	410,885	2.81	-	-
5	A. J. Patel HUF	277,235	1.90	-	277,235	1.90	-	-
6	Ashok Patel (A J Patel Ch. Trust)	253,125	1.73	-	253,125	1.73	-	-
7	Tarak Patel	173,960	1.19	-	173,960	1.19	-	-
8	Uttara Patel	166,995	1.14	-	166,995	1.14	-	-
9	Urmi Patel	133,625	0.91	-	625,000	4.27	-	+3.36
10	Panna Patel	33,750	0.23	-	33,750	0.23	-	-
11	Pragna Patel	16,160	0.11	-	16,160	0.11	-	-
12	Skyline Millars Ltd.	-	-	-	-	-	-	-
13	Palomita Patel	1,200	0.01	-	1,200	0.01	-	-
	Total	**10,963,125**	**75.00**	**-**	**10,963,125**	**75.00**	**-**	**-**

c) Change in Promoters' Shareholding:

Sr. No.	Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Ashok Patel		498,120	3.41	498,120	3.41
	Less : 26.05.2017	Inter-se transfer	(491,375)	(3.36)	6,745	0.05
	At the End of the year		N.A.	N.A.	6,745	0.05
2.	Ms. Urmi Patel		133,625	0.91	133,625	0.91
	Add : 26.05.2017	Inter-se transfer	491,375	3.36	625,000	4.27
	At the End of the year		N.A.	N.A.	625,000	4.27

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 01.04.2017		Transactions during the year		Cumulative shareholding at the end of the year 31.03.2018	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	Chandler & Price (I) Pvt Ltd	351,555	2.40	-	-	351,555	2.4050
2	Sumant J. Patel	118,125	0.80	-	-	118,125	0.8081
3	India Infoline Limited	102,931	0.70				
	Transfer			07.04.2017	863	103,794	0.7101
	Transfer			14.04.2017	(863)	102,931	0.7042
	Transfer			05.05.2017	35	102,966	0.7044
	Transfer			12.05.2017	(19)	102,947	0.7043
	Transfer			19.05.2017	(16)	102,931	0.7042

Annexure 'G' (Contd.)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 01.04.2017		Transactions during the year		Cumulative shareholding at the end of the year 31.03.2018	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			07.06.2017	10	102,941	0.7042
	Transfer			09.06.2017	(102,841)	100	0.0007
	Transfer			16.06.2017	(95)	5	0.0000
	Transfer			23.06.2017	3,003	3,008	0.0206
	Transfer			30.06.2017	(3,008)	0	0.0000
	Transfer			07.07.2017	148	148	0.0010
	Transfer			14.07.2017	(148)	0	0.0000
	Transfer			28.07.2017	1500	1,500	0.0103
	Transfer			04.08.2017	(1,475)	25	0.0002
	Transfer			11.08.2017	175	200	0.0014
	Transfer			18.08.2017	(108)	92	0.0006
	Transfer			25.18.2017	(33)	59	0.0004
	Transfer			01.09.2017	(56)	3	0.0000
	Transfer			08.09.2017	21	24	0.0002
	Transfer			15.09.2017	(24)	0	0.0000
	Transfer			27.10.2017	80	80	0.0005
	Transfer			03.11.2017	13	93	0.0006
	Transfer			10.11.2017	45,298	45,391	0.3105
	Transfer			17.03.2017	(153)	45,238	0.3095
	Transfer			24.11.2017	10	45,248	0.3095
	Transfer			01.12.2017	144	45,392	0.3105
	Transfer			08.12.2017	(147)	45,245	0.3095
	Transfer			15.12.2017	(7)	45,238	0.3095
	Transfer			22.12.2017	866	46,104	0.3154
	Transfer			29.12.2017	15,423	61,527	0.4209
	Transfer			05.01.2018	38,926	100,453	0.6872
	Transfer			12.01.2018	(21)	100,432	0.6871
	Transfer			19.01.2018	100	100,532	0.6878
	Transfer			26.01.2018	(100)	100,432	0.6871
	Transfer			09.02.2018	35	100,467	0.6873
	Transfer			16.02.2018	(35)	100,432	0.6871
	Transfer			23.02.2018	10	100,442	0.6871
	Transfer			02.03.2018	(10)	100,432	0.6871
	Transfer			09.03.2018	102	100,534	0.6878
	Transfer			16.03.2018	(102)	100,432	0.6871
	Transfer			31.03.2018	1	100,433	0.6871
	At the end of the year					100,433	0.6871
4	L&T Mutual Fund Trustee Ltd. - L&T Emerging Opportunities Fund – Series I	0	N.A.	-	-		
	Transfer			16.03.2018	80,000	80,000	0.5473
	At the end of the year				80,000	80,000	0.5473
5	Mr. Danesh Boman Irani	82,227	0.5625	-	-		
	Transfer			18.08.2017	1,050	83,277	0.5697
	Transfer			22.12.2017	(1,000)	82,277	0.5629
	Transfer			29.12.2017	(2,456)	79,821	0.5461
	At the end of the year					79,821	0.5461
6	Mr. Boman Burjor Irani	62,420	0.4270	-	-		
	Transfer			16.03.2018	(276)	62,144	0.4251
	At the end of the year					62,144	0.4251
7	Ms. Kashmira Irani	55,108	0.3770				
	Transfer			18.08.2017	230	55,338	0.3786
	At the end of the year					55,338	0.3786

Annexure 'G' (Contd.)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 01.04.2017		Transactions during the year		Cumulative shareholding at the end of the year 31.03.2018	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
8	The Oriental Insurance Co. Ltd.	54,448	0.3725	-	-	54,448	0.3725
9	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	0	N.A.	-	-		
	Transfer			08.12.2017	36,905	36,905	0.2525
				22.12.2017	1077	37,982	0.2598
				09.03.2018	1,745	39,727	0.2718
				23.03.2018	785	40,512	0.2771
	At the end of the year	-	-	-	-	40,512	0.2771
10	Suman Bang	34,141	0.2336	-	-	34,141	0.2336

e) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Ashok Patel	498,120	3.4077	498,120	3.4077
	Less : Interse transfer (491,375)	N.A.	N.A.		
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2018)			6,745	0.0461
2.	Tarak Patel	173,960	1.1901	173,960	1.1901
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2018)	N.A.	N.A.	173,960	1.1901
3.	Dr. Amrita Patel	375	0.002	375	0.002
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2018)	N.A.	N.A.	375	
4.	Ashok Pillai	750	0.005	750	0.005
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2018)	N.A.	N.A.	750	

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

V. INDEBTEDNESS:

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

Annexure 'G' (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(₹ in Million)

Sr. No.	Particulars of Remuneration to Mr. Tarak Patel, Managing Director	Total Amount
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.32
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.17
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	9.53 (based on performance)
	- as % of profit	-
	- others, specify	-
5	Others – Retirement benefits	3.23
	Total (A)	**20.25**
	Ceiling as per the Act	21.62 (Being 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)

b) Remuneration to other Directors:

(₹in Million)

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors		
	Fee for attending board / committee meetings	Dr. S. Sivaram	0.42
		Dr. Amrita Patel	0.40
		Mr. P. Krishnamurthy	0.58
	Commission		
	Others, please specify		-
	Total (1)		**1.40**
2.	Other Non-Executive Directors		
	Fee for attending board / committee meetings	Mr. Ashok Patel	0.30
		Mr. Khurshed Thanawalla	0.20
	Commission		-
	Others, please specify		-
	Total (2)		**0.50**
	Total (B)=(1+2)		**1.90**
	Total Managerial Remuneration (A+B)		**22.15**
	Overall Ceiling as per the Act	Non Executive Directors were paid sitting fees for attending the meetings of the Board and Committees thereof during the financial year 2017-18, which were within the limits prescribed under the Companies Act, 2013.	

Annexure 'G' (Contd.)

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

(₹ in Million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Ashok Pillai, Chief Operating Officer	Mr. Jugal Sahu, Chief Financial Officer	Ms. Mittal Mehta, Company Secretary	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.60	5.57	1.47	13.64
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.04	0.04	-	0.08
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Performance Incentive	2.20	1.10	0.20	3.50
5	Others - Retirement benefits	0.61	0.54	0.13	1.28
	Total	**9.45**	**7.25**	**1.80**	**18.50**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

By Order of the Board of Directors

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN : 00166183

Place: Mumbai
Date: May 16, 2018

Report on Corporate Governance

A report for the financial year ended March 31, 2018 on the compliance by the Company the Corporate Governance requirements under Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 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. The Board is committed to the goal of sustainably elevating the Company's value created. The Board has established several Committees to discharge its responsibilities in an effective manner.

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

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

The Company Secretary assists the Chairman and MD 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:

- Code of Conduct for Directors and Senior Management Executives
- Code of Conduct for Prevention of Insider Trading
- Whistle Blower Policy
- Policy on Related Party Transactions

- Corporate Social Responsibility Policy
- Policy for determining Material Subsidiaries
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Policy for Preservation of Documents and Archival of Documents
- Policy on Determination of Material Events
- Anti-Sexual Harassment Policy
- Nomination, Remuneration & Evaluation Policy
- Familiarization Program for Independent Directors

4. SCHEDULING OF BOARD AND COMMITTEE MEETINGS:

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

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

5. RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS

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

6. POST MEETING FOLLOW-UP MECHANISM:

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

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

7. COMPLIANCE:

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

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

8. BOARD OF DIRECTORS

a) The Board comprises of eight Directors, including 1 Executive and 7 Non-Executive, of which 3 are Independent Directors. The composition of the Company's Board is in conformity with Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and other applicable regulatory requirements. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

Report on Corporate Governance (Contd.)

b) The composition of the Board of Directors, their attendance at the Board meetings held during the financial year ended 31.03.2018 and the last Annual General Meeting along with the number of Directorship and memberships held in various Committees in other Companies as on the date of this Report, are given in the table below:

Name of Director	Category of Directorship	Attendance at		Number of Directorships in other Companies	Number of Committee positions held in other Companies
		Board Meetings	Annual General Meeting (September 27, 2017)		
Dr. S. Sivaram (Chairman of the Board)	Non-Executive, Independent Director	5	No	5	Nil
Dr. Amrita Patel	Non-Executive, Independent Director	5	Yes	Nil	Nil
Mr. P. Krishnamurthy (resigned w.e.f 14/05/2018)	Non-Executive, Independent Director	5	Yes	4	4
Mr. Nakul Toshniwal (appointed w.e.f 16/05/2018)	Non-Executive, Independent Director	N.A.	N.A.	Nil	Nil
Mr. Tarak Patel *	Executive Director	5	Yes	2	2
Mr. Ashok Patel *	Non-Executive Director	4	No	2	Nil
Mr. Thomas Kehl #	Non-Executive Director	4	Yes	Nil	Nil
Mr. Khurshed Thanawalla #	Non-Executive Director	4	Yes	1	2
Mr. Tom Alzin # (resigned w.e.f 11/10/2017)	Non-Executive Director	1	Yes	Nil	Nil
Dr. Dominic Deller# (appointed as alternate director to Mr. Thomas Kehl w.e.f 25/07/2017 and resigned as alternate director w.e.f 10/08/2017) (appointed as director in place of Mr. Tom Alzin w.e.f 18/10/2017)	Non-Executive Director	3	N.A.	Nil	Nil

* Indian Promoters

Representing Foreign Promoters viz. Pfaudler Inc.

Notes:

1. *The Directorships held by the Directors include directorships in public companies. However, it does not include directorships held in private companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.*
2. *In accordance with Regulation 26(1) of the Listing Regulations, Memberships/ Chairmanships of only Audit Committees and Stakeholders Relationship Committees in public limited companies (excluding GMM Pfaudler Limited) have been considered.*

c) During the year under review, 5 Board Meetings were held on the following dates:

May 12, 2017; August 10, 2017; September 26, 2017, November 9, 2017 and February 6, 2018.

d) Details of the Directors seeking appointment/ re-appointment at the forthcoming Annual General Meeting as required under Regulation 36(3) of the Listing Regulations are annexed to the Notice convening the Annual General Meeting which forms part of the Annual Report.

e) Mr. Tarak Patel is the son of Mr. Ashok Patel. None of the other Directors have any inter-se relation among themselves.

f) In case of appointment/ resignation of Directors, the Company has notified the BSE Limited & NSE Limited, as required under the Listing Regulations.

Report on Corporate Governance (Contd.)

9. COMMITTEES:

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

Composition of Committees of the Company as on date

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

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

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

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

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

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

Committees of the Company	Audit Committee	Stakeholders Relationship Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee
Meetings held	**4**	**4**	**2**	**1**
Directors attendance				
Dr. S. Sivaram	4	@	2	N.A.
Dr. Amrita Patel	4	N.A.	@	1
Mr. P. Krishnamurthy (resigned w.e.f 14/05/2018)	4	4	2	1
Mr. Nakul Toshniwal (appointed w.e.f 16/05/2018)	@	N.A.	@	@
Mr. Tarak Patel	N.A.	4	N.A.	1
Mr. Ashok Patel	N.A.	N.A.	2	1
Mr. Thomas Kehl	3	N.A.	2	N.A.
Mr. Khurshed Thanawalla	N.A.	N.A.	N.A.	N.A.
Mr. Tom Alzin (resigned w.e.f 11/10/2017)	N.A.	N.A.	N.A.	N.A.
Dr. Dominic Deller @ (attended as Alternate Director)	*1@	N.A.	N.A.	N.A.

NA – Not a member of the Committee.

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

*One meeting of the Audit Committee was held during the tenure of Dr. Dominic Deller as an Alternate Director.

Report on Corporate Governance (Contd.)

11. PROCEDURE AT COMMITTEE MEETINGS:

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

12. TERMS OF REFERENCE AND OTHER DETAILS OF COMMITTEES:

A. Audit Committee:

The Composition, Role, terms of reference as well as powers of the Audit Committee of the Company meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The composition of the Committee is given in this Report.

Members of the Audit Committee possess the requisite qualifications.

Meeting details:

The Audit Committee met four times during the year under review viz. May 12, 2017; August 10, 2017; November 9, 2017 and February 6, 2018. The minutes of the Audit Committee Meetings were noted at the Board Meetings.

Scope:

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

Powers of the Audit Committee:

a) To investigate any activity within its terms of reference or such matter as may be referred to it by the Board and for this purpose obtain professional advice from external sources and have full access to information contained in the records of the Company;

b) To seek information from any employee;

c) To obtain outside legal or other professional advice; and

d) To secure attendance of outsiders with relevant expertise, if it considers necessary;

Role of the Audit Committee:

1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Company's financial statement is correct, sufficient and credible;

2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

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

5) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   (a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of section 134(3)(c) of the 2013 Act;

   (b) changes, if any, in accounting policies and practices and reasons for the same;

   (c) major accounting entries involving estimates based on the exercise of judgment by management;

   (d) significant adjustments made in the financial statements arising out of audit findings;

   (e) compliance with listing and other legal requirements relating to the financial statements;

   (f) disclosure of any related party transactions; and

   (g) qualifications in the draft audit report;

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

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

8) To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of the financial statement before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the Company.

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

Report on Corporate Governance (Contd.)

10) Scrutiny of inter-corporate loans and investments;
11) Valuation of undertakings or assets of the Company, wherever it is necessary, in consultation with external professional advisors, as deemed fit by the Audit Committee;
12) Evaluation of internal financial controls and risk management systems of the Company;
13) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems of the Company;
14) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15) Discussion with internal auditors of any significant findings and follow up thereon. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor;
16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17) Discussion with statutory auditors before the commencement of audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
19) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20) To review the functioning of the whistle blower mechanism 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;
21) 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;
22) To review the following information as prescribed under Regulation 18(3) of the Listing regulations:
    (a) Management discussion and analysis of financial condition and results of operations;
    (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
    (c) Management letter/ letters of internal control weaknesses issued by the statutory auditors;
    (d) Internal audit reports relating to internal control weaknesses; and
    (e) The Appointment, removal and terms of remuneration of the chief internal auditor.
23) To approve all the Related Party Transactions to be entered into by the Company and grant omnibus approval for the Related Party Transactions proposed to be entered into by the Company subject to the following conditions:
    (a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.
    (b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

Report on Corporate Governance (Contd.)

(c) Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price/ current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;

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

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

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

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

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

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

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 this Report.

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

Compliance Officer:

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

Meeting Details:

The Stakeholders Relationship Committee met four times during the year under review i.e. May 11, 2017; August 10, 2017; November 7, 2017 and February 6, 2018. The minutes of the Stakeholders Relationship Committee Meetings were noted at the Board Meetings.

Summary of Grievances:

A summary of complaints received and resolved by the Company to the satisfaction of the shareholders/ investors during the year 2017-18, is given below:

Particulars	Number
Pending at the beginning of the year under review	-
Received during the year under review	1
Resolved during the year under review	1
Pending at the end of the year under review	-

C. Nomination and Remuneration Committee:

The Composition, Role, Terms of Reference as well as Powers of the Nomination and Remuneration Committee of the Company meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The composition of the Committee is given in this Report.

Meeting Details:

The Nomination and Remuneration Committee met two times during the year under review i.e. May 11, 2017 and November 9, 2017. The minutes of the Nomination and Remuneration Committee Meetings were noted at the Board Meetings.

Scope:

The scope of the Nomination and Remuneraton Committee is as follows:

1. To identify suitable candidates for directorship and senior management of the Company in accordance with the criteria laid down, recommend to the Board their appointment and removal, and undertake evaluation of every director's performance;

2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration for the directors, key managerial personnel and other employees of the Company. The said policy will be disclosed in the Board's report.

   The Nomination and Remuneration Committee shall, while formulating the aforesaid policy, to ensure that:

   (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

   (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   (c) remuneration to executive directors, key managerial personnel and senior management of the Company involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

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

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

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

4. To ensure that on appointment to the Board, independent directors receive a formal letter of appointment setting out clearly what is expected from them in terms of time-committee, committee service and involvement outside meetings of the Board;

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

6. To determine whether to extend or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of the Independent Directors;

7. To devise a policy on Board diversity;

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

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

Remuneration and Shareholding of Directors:

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, 2018 was as under:

(₹in Million)

Sr. No.	Particulars	Amount
1.	Salary and allowances	6.32
2.	Perquisites	1.17
3.	Retirement benefits	3.23
4.	Commission	9.53
	Total	**20.25**

Non-Executive Director's Compensation:

The Company does not pay remuneration to the Non-Executive Directors of the Company except for the sitting fees for attending Meetings of the Board or Committees thereof which has been disclosed below.

Details of Remuneration paid/ payable to Directors for the year ended March 31, 2018 are as follows:

(₹in Million)

Director	Sitting Fees (₹)
Dr. S. Sivaram	0.42
Dr. Amrita Patel	0.40
Mr. P. Krishnamurthy	0.58
Mr. Ashok Patel	0.30
Mr. Khurshed Thanawalla	0.20
Total	**1.90**

Non-Executive Directors on the Board of the Company were paid sitting fees for the financial year 2017-18 as under:

Report on Corporate Governance (Contd.)

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

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

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

Non-Executive Director's Shareholding:

The Non-Executive Directors do not hold any shares in the Company except Dr. Amrita Patel who holds 375 shares and Mr. Ashok Patel who holds 6,745 shares of the Company.

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 and other functional heads on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The details of the familiarization programmes imparted to the Independent Directors is available on the Company's website at www.gmmpfaudler.com/content/FamiliarizationProgramme.pdf

D. Corporate Social Responsibility Committee:

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

The Composition, Role, Terms of Reference as well as Powers of the CSR Committee are in compliance with the provisions of the Companies Act, 2013. The composition of Committee is given in this Report.

Meeting Details:

The CSR Committee met on one occasion viz. November 9, 2017. The minutes of the CSR Committee Meetings were noted at the Board Meeting.

Scope:

The Role of the Committee is as follows:

1) To formulate and recommend to the Board, the Corporate Social Responsibility Policy of the Company ("CSR Policy") which shall include inter alia, CSR activities (defined hereunder) to be undertaken by the Company, and the modalities of execution monitoring and implementation schedules of the same. The policy to specify that the surplus arising out of the CSR Activities (defined hereinafter) shall not form part of the business profit of the Company;

2) To identify the CSR projects/activities/programs to be undertaken by the Company ("CSR Activities"), in alignment with the CSR Policy, Schedule VII of the 2013 Act and the CSR Rules, as amended from time to time;

3) To recommend the amount of expenditure to be incurred by the Company on the CSR Activities for each financial year;

4) To institute a transparent monitoring mechanism for monitoring progress/status of implementation of CSR Activities;

5) To receive reports and review activities from executive and specialist groups managing CSR Activities;

6) To monitor the CSR Policy from time to time and revise the same, wherever necessary;

7) To issue a responsibility statement confirming that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company;

8) To prepare an annual report on CSR Activities to be included in the Board of Director's Report in the form provided in the Annexure to the Companies (Corporate Social Responsibility Policy) Rules, 2014. The same shall be disclosed on the website of the Company;

9) To 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.

Report on Corporate Governance (Contd.)

13. INDEPENDENT DIRECTORS MEETING:

In terms of requirements of the Companies Act 2013, Rules framed there under and Regulation 25(3) of the Listing Regulations, a separate meeting of Independent Directors was held on May 11, 2017 to discuss:

a) Evaluation of the performance of non-independent directors and the Board of Directors as a whole;

b) Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Chairman.

c) Evaluation of the quality, content and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

14. CODE OF CONDUCT:

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

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

A declaration affirming compliance with the Code of Conduct for the financial year ended March 31, 2018, signed by the Company's Managing Director is published in this Report.

15. 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	No. of Special Resolutions passed
2014-15	52nd	September 28, 2015	10 a.m.	5
2015-16	53rd	September 23, 2016	12 noon	1
2016-17	54th	September 27, 2017	12 noon	2

All general Meetings were held at The Sardar Vallabhbhai Patel and The Veer Vithalbhai Patel Memorial, Anand - Sojitra Road, Karamsad - 388 325 Gujarat

The Company was not required to pass any resolutions by way of postal ballot during the year under review. Further, the Company does not propose to conduct any special resolution by way of postal ballot.

No Extraordinary General Meeting (EGM) of Company was held during the financial year 2017-18.

16. DISCLOSURES:

i) Whistle Blower Policy:

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

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

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

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

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

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

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

iii) **Compliance:**

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

iv) **Details of Compliance with Mandatory requirements and adoption of Non-mandatory requirements:**

- Mandatory requirements:

  The Company has complied with the mandatory requirements of the listing regulations with regard to Corporate Governance

- Non-Mandatory requirements:

a. Office for non-executive Chairman at company's expense: Not Applicable

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

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

d. Separate posts of Chairman & CEO: Complied

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

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

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

17. MEANS OF COMMUNICATION:

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

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

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

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

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

f) **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.

g) **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.

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

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

Report on Corporate Governance (Contd.)

18. GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting:

55th Annual General Meeting of the Company will be held on August 9, 2018 at 12.00 noon at the Sardar Vallabhai Patel and Veer Vithalbhai Patel Memorial, Karamsad, Gujarat 388 325.

b) Financial year of the Company : April 2017 to March 2018

c) Financial Calendar (Tentative):

- Quarter ended June 30, 2018	2nd week of August, 2018
- Quarter ended September 30, 2018	4th week of October, 2018
- Quarter ended December 31, 2018	1st week of February, 2019
- Quarter ended March 31, 2019	3rd week of May, 2019
- Annual General Meeting for the year ended March 31, 2019	2nd week of August, 2019

d) Date of Book Closure: Friday, August 3, 2018 to Thursday, August 9, 2018 (Both days inclusive)

e) Dividend Payment Date: On or before September 7, 2018

f) Listing of Stock Exchange: BSE Limited, Phiroze Jeejeebhoy Towers, 1st Floor, Dalal Street, Mumbai 400 001. The shares of the Company were listed on the National Stock Exchange, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra, Mumbai 400 051 w.e.f March 5, 2018. The Company confirms that the annual listing fees to BSE Limited and NSE Limited for the financial year 2018-19 have been paid.

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

h) Dematerialization: ISIN Number INE541A01023

i) Registrar & Transfer Agents:

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

j) Share Transfer System:

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

Kindly note that as per amendment in Regulation 40 of the Listing Regulations, the listed entities (including their RTAs) shall be restricted from effecting Transfer of Shares in physical form w.e.f. December 5, 2018. All Shareholders are requested to convert their shares in demat mode. However, this amendment shall not affect the transmission or transposition of shares held in physical form.

k) Shareholding Pattern as on March 31, 2018:

Category	No. of shares	Percent
Foreign Promoters - Pfaudler Inc.	7,372,475	50.44
Indian Promoters Group	3,590,650	24.56
NRI/OCB	674,889	4.62
Financial Institution, Nationalized Bank, Insurance Companies, Mutual Funds	138,050	0.94
Domestic Companies, Clearing Members, Trusts	43,547	0.30
Central/ State Government	40,512	0.28
Individuals	2,757,377	18.86
Total	**14,617,500**	**100.00**

Report on Corporate Governance (Contd.)

l) Distribution of Shareholding as on March 31, 2018:

Sr. No.	Slab of shareholding		Shareholders		Shares	
	No. of Equity shares held		Nos.	%	Nos.	%
	From	To				
1.	1	500	7,737	88.6051	801,810	5.4853
2.	501	1000	501	5.7375	397,165	2.7171
3.	1001	2000	281	3.2180	417,187	2.8540
4.	2001	3000	74	0.8475	189,832	1.2987
5.	3001	4000	32	0.3665	113,097	0.7737
6.	4001	5000	28	0.3207	126,898	0.8681
7.	5001	10000	41	0.4695	292,301	1.9997
8.	10001	Above	38	0.4352	12,279,210	84.0035
Total			**8,732**	**100.00**	**14,617,500**	**100.00**

m) Stock Market Price for the year:

Month	Market Price (₹)		BSE - Sensex	
	High	Low	High	Low
April, 2017	598.60	522.00	30,184.22	29,241.48
May, 2017	625.00	525.00	31,255.28	29,804.12
June, 2017	669.00	540.00	31,522.87	30,680.66
July, 2017	630.00	575.00	32,672.66	31,017.11
August, 2017	608.00	510.00	32,686.48	31,128.02
September, 2017	675.00	570.00	32,524.11	31,081.83
October, 2017	650.00	575.2.	33,340.17	31,440.48
November, 2017	644.00	552.00	33,865.95	32,683.59
December, 2017	884.80	620.00	34,137.97	32,565.16
January, 2018	877.00	714.00	36,443.98	33,703.37
February, 2018	779.90	636.10	36,256.83	33,482.81
March, 2018	744.95	656.05	34,278.63	32,483.84
March, 2018 (NSE - Nifty)	744.00	575.00	10,525.50	9,951.90

n) Dematerialization:

As on March 31, 2018, 97.81% of the Company's total shares representing 14,296,690 shares are held in dematerialized form and the balance 320,810 representing 2.19% shares are in Physical Form.

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

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

p) Plant Location:

Manufacturing Plant of the Company is situated at Vithal Udyognagar, Anand – Sojitra Road, Karamsad, 388 325, in the State of Gujarat.

q) Shareholders & Investors Correspondence:

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

Link Intime India Private Limited,

C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Phone 022-4918 6270, Fax 022- 4918 6060. Contact Person: Ms. Riddhi Shah Email: gmminvestors@gmmpfaudler.com

19. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Company's Auditors Deloitte Haskins & Sells LLP, confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

CEO DECLARATION FOR COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT:

I hereby affirm that all the Board Members and Senior Management Executives of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management Executives of GMM Pfaudler Limited as applicable to them for the year ended March 31, 2018.

For GMM Pfaudler Limited

Tarak Patel
Managing Director
DIN: 00166183

Place: Mumbai
Date : May 16, 2018

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

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

a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2018 and that to the best of their knowledge and belief:

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

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

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

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

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

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

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

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

For GMM Pfaudler Limited

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
M. No. ACA 205251

Place: Mumbai
Date : May 16, 2018

The Members,
GMM PFAUDLER LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This Certificate is issued in accordance with the terms of our engagement letter dated September 29, 2017.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of GMM Pfaudler Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, 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, 2018.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Kartikeya Raval
(Membership No. 106189)

Place: Mumbai
Date: May 16, 2018

Independent Auditor's Report

To The Members of **GMM PFAUDLER** Limited

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of GMM PFAUDLER Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information,.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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.

Independent Auditor's Report (Contd.)

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

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

g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 Ind AS financial statements;

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

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Mumbai
Date: May 16, 2018

GMM Pfaudler
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Annexure "A"

To The Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of GMM Pfaudler Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the

Annexure "A"
To The Independent Auditor's Report (Contd.)

internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Mumbai
Date: May 16, 2018

Annexure "B"

To The Independent Auditor's Report

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods & Service Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

Annexure "B"
To The Independent Auditor's Report (Contd.)

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

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ In millions)	Amount Unpaid (₹ In millions)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal, Ahmedabad	AY 2005-06, 2010-11, 2011-12, 2012-13	53.58	53.58
Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	AY 2006-07, 2013-14, 2014-15	9.35	9.35
Income Tax Act, 1961	Income Tax	The Assessing Officer (AO)	AY 2007-08, AY 2008-09	10.83	10.83
Central Sales Tax Act, 1956	Sales Tax	VAT Tribunal	FY 2006-07, 2007-08, 2008-09	3.85	2.37
Central Excise Act, 1944	Excise Duty	Central Excise & Service Tax Tribunal	Various years from FY 2003-04 to FY 2010-11	2.38	1.98
Finance Act, 1994	Service Tax	Central Excise & Service Tax Tribunal	Various years from FY 2012-13 to FY 2016-17	1.75	1.55
Finance Act, 1994	Service Tax	The Commissioner (Appeals)	Various years from FY 2011-12 to FY 2016-17	5.13	4.54
Finance Act, 1994	Service Tax	The Adjudicating Officer (AO)	FY 2017-18	6.43	6.43

According to the information and explanations given to us, there are no dues of Customs Duty that have not been deposited as on March 31, 2018 on account of disputes.

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

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

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

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

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

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

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

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

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

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

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Mumbai
Date: May 16, 2018

Standalone Balance Sheet

as at March 31, 2018

₹ in Million

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
(1) Non-current assets				
(a) Property, Plant & Equipment	6	553.01	461.98	369.06
(b) Capital work-in-progress		27.60	19.95	43.15
(c) Other Intangible Assets	7	12.16	17.73	25.90
(d) Intangible assets under development		40.22	-	-
(e) Financial Assets				
(i) Investments	8	228.75	228.96	237.12
(ii) Loans	9	-	1.19	-
(iii) Others	10	8.47	8.00	23.26
(f) Non-current Tax Assets (Net)	21	-	-	5.09
(g) Other non-current assets	11	5.41	3.72	6.19
Sub-total		**875.62**	**741.53**	**709.77**
(2) Current Assets				
(a) Inventories	12	787.90	594.53	495.15
(b) Financial Assets				
(i) Investments	8	496.92	450.64	159.69
(ii) Trade Receivables	13	419.65	524.36	316.80
(iii) Cash & Cash Equivalents	14	110.44	28.23	86.38
(iv) Bank balances other than (iii) above	14	2.23	2.16	165.20
(v) Loans	9	2.73	4.29	9.96
(vi) Others	10	138.37	103.28	5.25
(c) Other current assets	11	64.50	36.90	30.77
Sub-total		**2,022.74**	**1,744.39**	**1,269.20**
Total Assets		**2,898.36**	**2,485.92**	**1,978.97**
EQUITY & LIABILITIES				
Equity				
(a) Equity Share Capital	15	29.23	29.23	29.23
(b) Other Equity	16	1,828.82	1,618.80	1,408.50
Sub-total		**1,858.05**	**1,648.03**	**1,437.73**
LIABILITIES				
(1) Non-current liabilities				
(a) Deferred tax liabilities (Net)	17	49.29	28.31	35.25
Sub-total		**49.29**	**28.31**	**35.25**
(2) Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	18	490.03	466.23	245.02
(ii) Others	19	95.64	79.22	52.79
(b) Provisions	20	22.69	13.70	18.96
(c) Current Tax Liabilities (Net)	21	10.78	5.32	-
(d) Other current liabilities	22	371.88	245.11	189.22
Sub-total		**991.02**	**809.58**	**505.99**
Total Equity & Liabilities		**2,898.36**	**2,485.92**	**1,978.97**
Summary of Significant Accounting Policies	4			

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

As per our report of even date.

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

Kartikeya Raval
Partner

Mumbai, May 16, 2018

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251

Mittal Mehta
Company Secretary
FCS 7848

Mumbai, May 16, 2018

Standalone Statement of Profit and Loss

for the year ended March 31, 2018

₹ in Million

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
Income:			
Revenue from Operations	23	3,176.73	2,913.96
Other Income	24	70.39	52.23
Total Income		**3,247.12**	**2,966.19**
Expenses:			
Cost of materials consumed	25	1,481.89	1,181.59
Changes in inventories of finished goods and work in progress	26	(168.80)	(24.11)
Excise Duty on sale of goods		52.63	250.89
Employee benefits expense	27	364.73	311.67
Finance Cost	28	10.31	8.98
Depreciation and amortisation expense	6&7	83.06	73.83
Labour Charges		318.51	244.63
Other Expenses	29	665.84	541.22
Total Expense		**2,808.17**	**2,588.70**
Profit before tax		**438.95**	**377.49**
Tax expenses:			
Current tax		134.22	123.71
Deferred tax		20.98	(6.94)
		155.20	**116.77**
Profit for the year		**283.75**	**260.72**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Actuarial Gain / (loss) on Gratuity and Pension Obligations		(3.35)	2.34
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Other Comprehensive Income (i-ii)		**(3.35)**	**2.34**
Total Comprehensive Income for the year		**280.40**	**263.06**
Earnings Per Equity Share:			
Basic		19.41	17.84
Diluted		19.41	17.84

Significant Accounting Policies 4

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

As per our report of even date.

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

Kartikeya Raval
Partner

Mumbai, May 16, 2018

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251

Mittal Mehta
Company Secretary
FCS 7848

Mumbai, May 16, 2018

GMM Pfaudler
Defining the standard

Standalone Statement of Cash Flow

for the year ended March 31, 2018

₹ in Million

		Year ended March 31, 2018	Year ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**438.95**	**377.49**
Adjustments for			
Depreciation		83.06	73.83
Net (gain) / loss on sale & discarding of fixed assets		(2.23)	(0.87)
Net (gain) / loss on sale of Current Investments		(3.35)	(43.43)
Net (gain) / loss on sale of Non-Current Investments		0.02	(10.75)
Net (gain) / loss on Current Investments designated as Fair Value Through Profit or Loss		(25.34)	18.65
Net (gain) / loss on Non Current Investments designated as Fair Value Through Profit or Loss		0.20	7.65
Interest income		(1.94)	(12.55)
Interest and financial charges		10.31	8.98
Dividend Income		-	(0.10)
Provision for doubtful debts, liquidated damages and advances		(3.61)	10.73
Provision for warranty		0.82	0.85
Unrealised foreign exchange fluctuation loss/(gain)		1.40	1.33
Actuarial (Gain) / loss on Gratuity reclassified in OCI		(3.35)	2.34
Operating profit before working capital changes		**494.94**	**434.15**
Adjustments for :			
(Increase)/ Decrease in Inventories		(193.37)	(99.38)
(Increase)/ Decrease in Trade receivable, loans and other financial & Non financial assets		46.22	(300.24)
Increase/ (Decrease) in Trade payables, provisions and other financial & Non financial liabilities		173.76	296.09
Cash generated from operations		521.55	330.62
Direct Taxes paid		(128.76)	(113.30)
Net cash from operating activities	A	**392.79**	**217.32**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment, including intangible assets		(219.07)	(135.83)
Proceeds from sale of Property, Plant and Equipment		4.88	1.31
Purchase of current investments		(58.03)	(522.52)
Proceeds from sale of current investments		40.45	256.34
Proceeds from sale of non-current investments		-	11.25
Fixed deposits placed with banks (net)		-	162.93
Interest received		1.94	12.55
Dividend received		-	0.10
Net cash used in investing activities	B	**(229.83)**	**(213.87)**

Standalone Statement of Cash Flow for the year ended March 31, 2018 (Contd.)

₹ in Million

		Year ended March 31, 2018	Year ended March 31, 2017
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from short term borrowing		45.12	-
Repayment of short term borrowing		(45.12)	-
Interest paid		(10.31)	(8.98)
Dividend paid		(58.53)	(43.72)
Tax on distributed profits		(11.91)	(8.90)
Net cash used in financing activities	C	**(80.75)**	**(61.60)**
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	A+B+C	**82.21**	**(58.15)**
Cash and Cash equivalents at the beginning of the year		28.23	86.38
Cash and Cash equivalents at the end of the year		110.44	28.23
COMPONENTS OF CASH AND BANK BALANCES EQUIVALENTS			
Cash and Cash Equivalent			
Balances with banks			
- In current accounts		20.07	28.11
- In deposit accounts (Less than three months maturity)		90.17	-
Cash on hand		0.20	0.12
Total		**110.44**	**28.23**
Other Bank Balances			
- In unpaid dividend accounts		2.23	2.16
- Deposit account with Maturity grater than three months but less than one year		-	-
Cash and Bank Balances at the end of the year		112.67	30.39

The company has been sanctioned credit facilities for working capital of ₹ 200 million, of which facilities utilised as on March 31, 2018 were ₹ Nil

Cash flow has been prepared as per Indirect method of Ind As 7.

As per our report of even date.

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

Kartikeya Raval
Partner

Mumbai, May 16, 2018

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251

Mittal Mehta
Company Secretary
FCS 7848

Mumbai, May 16, 2018

GMM Pfaudler
Defining the standard

Standalone Statement of changes in equity
for the year ended March 31, 2018

(I)	Equity Share Capital	Amount (₹ in Millions)
	Balance at April 1, 2016	**29.23**
	Movement during the year	-
	Balance at March 31, 2017	29.23
	Movement during the year	-
	Balance at March 31, 2018	**29.23**

(II) Other Equity :

₹ in Million

	Capital Reserve	Securities Premium Reserve	General Reserve	Cash Subsidy Reserve	Retained Earnings	Total
Balance at April 1, 2016	**0.02**	**149.28**	**211.27**	**0.69**	**1,047.24**	**1,408.50**
Profit for the year					260.72	260.72
Other comprehensive income for the year, net of income tax					2.34	2.34
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**263.06**	**263.06**
Payment of dividends	-	-	-	-	(43.86)	(43.86)
Taxes on dividend	-	-	-	-	(8.90)	(8.90)
Balance at March 31, 2017	**0.02**	**149.28**	**211.27**	**0.69**	**1,257.54**	**1,618.80**
Balance at April 1, 2017	**0.02**	**149.28**	**211.27**	**0.69**	**1,257.54**	**1,618.80**
Profit for the year	-	-	-	-	283.75	283.75
Other comprehensive income for the year, net of income tax	-	-	-	-	(3.35)	(3.35)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**280.40**	**280.40**
Payment of dividends	-	-	-	-	(58.47)	(58.47)
Taxes on dividend	-	-	-	-	(11.91)	(11.91)
Balance at March 31, 2018	**0.02**	**149.28**	**211.27**	**0.69**	**1,467.56**	**1,828.82**

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

As per our report of even date.

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

Kartikeya Raval
Partner

Mumbai, May 16, 2018

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 16, 2018

Mittal Mehta
Company Secretary
FCS 7848

Notes

to Standalone Financial Statements for the year ended March 31, 2018

1 CORPORATE INFORMATION

GMM Pfaudler Limited, formerly Gujarat Machinery Manufacturers Limited, ("the Company") was incorporated in India on November 17, 1962. The Company's manufacturing unit is located at Karamsad, Gujarat. The Company's principal activity is the manufacture of corrosion resistant glass-lined equipment used primarily in the chemical, pharmaceutical and allied industries. The Company also manufactures flouro-polymer products and other chemical process equipment such as agitated nutsche filters, filter dryers, 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) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is April 1, 2016. Refer Note 5 for the details of significant exemptions availed by the Company on first-time adoption of Ind AS and for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

3 BASIS OF PREPERATION OF FINANCIAL STATEMENTS

a) Basis of preparation and presentation

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

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

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

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

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

b) Functional and Presentation Currency

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

4 SIGNIFICANT ACCOUNTING POLICIES

a) Use of Estimates:

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:

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.

1. Useful lives and residual value of property, plant and equipment (refer note no. 4.c1) Property, plant and equipment / intangible assets are depreciated / amortised over their estimated

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

2. Impairment of financial assets (refer note no. 4.g7)
   The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3. Impairment of non-financial assets (refer note no. 4.d / 4.f)
   Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

4. Employee benefits (refer note no. 4.j)
   The cost of the defined benefit and long term employee benefit plans and the present value of the related obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation, a defined benefit and long term employee benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

5. Expense Provisions & contingent liabilities (refer note no. 4.i / 4.m)
   The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. The Company has capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

6. Valuation of deferred tax assets (refer note no. 4.n)
   Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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),

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

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 and 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.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

c) **Depreciation and amortisation useful life of Property, Plant & Equipment and Intangable Assets:**

Depreciation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Name of Assets	Useful life
A) Burning Scaffold and Pilot Plant (included under Plant & Machinery)	3 years
B) Telephones (included under Office Equipment)"	3 years
C) Vehicles	6 years

Items costing less than ₹ 5000/- are fully depreciated in the year of put to use/purchase.

Leasehold improvements are amortized equally over the period of lease.

Amortasation

Intangible assets are amortised over their estimated useful life on straight line method as follows

Name of Assets	Useful life
A) Computer Software	3-6 years
B) Technical Knowhow	3 years

d) **Asset Impairment**

The Company assesses at each reporting date using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

e) **Foreign Exchange Transactions and Translation**

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognized as income or

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

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.

f) Inventories

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

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

g) Financial Instruments

g1) Investments

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

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

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

g2) Trade Receivables

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognized at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

g3) Cash & Cash Equivalents

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

g4) Trade Payables

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

g5) Other financial assets and liabilities

Other non-derivative financial instruments are initially recognized at fair value and subsequently measured at amortized costs using the effective interest method.

g6) De-recognition of financial assets and liabilities

The Company derecognizes a financial asset when the contractual right to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction which substantially all the risk and rewards of ownership of the financial asset are transferred. If the Company retains substantially all the risk and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired; the difference between the carrying amount of derecognized financial liability and the consideration paid is recognized as profit or loss.

g7) Impairment of financial assets

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

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

h) Revenue Recognition

Sale of Goods / Service:

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

a) When the significant risks and rewards of ownership of the goods has transferred to the customer based on the agreed contractual terms;

b) The amount of revenue can be measured reliably;

c) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods; and

d) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue for construction contracts:

The "Percentage of Completion Method" of accounting of revenue is followed for fixed price contracts that meet the following criteria:

a) Total contract revenue can be measured reliably;

b) It is probable that the economic benefits associated with the contract will flow to company;

c) Both the contract costs to complete the contract and the stage of contract completion at the end of the reporting period can be measured reliably; and

d) The contract costs attributable to the contract can be clearly identified and measured reliably.

Other Income:

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

Interest income is recognized on accural basis.

i) Product Warranty Expenses

Provision is made in the financial statements for the estimated liability on account of costs that may be incurred on products sold under warranty. The estimates for the costs to be incurred for providing free service under warranty are determined based on historical information, past experience, average cost of warranty claims that are provided for in the year of sale.

j) Employee Benefits

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

Defined contribution plans

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

Defined benefit plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss. Past service cost is recognised in profit or 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 and 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

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

k) Operating Expenses

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

l) Leases

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

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

m) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability is not recognized but its existence is disclosed in the financial statements. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable in the financial statements.

n) Taxation

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

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

Current and deferred tax are recognised in Statement of Profit and 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.

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

o) Segment Reporting

The Company identifies segments as operating segments whose operating results are regularly reviewed by the Chief Operating Decision Maker [CODM] to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment assets include all operating assets used by the business segments and consist principally of property plant and equipment, intangible assets, debtors and inventories. Segment liabilities include the operating liabilities that result from operating activities of the business segment. Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

p) Earnings Per Share:

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

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

q) Operating Cycle:

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

r) Research and development expenses:

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

s) Cash flow statement:

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

5 FIRST-TIME ADOPTION – MANDATORY EXCEPTIONS AND OPTIONAL EXEMPTIONS

Overall principle

The Company has prepared the opening standalone balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Investments in subsidiaries

The Company has elected to continue with the carrying value of Investment in Subsidiaries as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

5(i) Effect of Ind AS adoption on the Balance Sheet as at March 31, 2017 and April 1, 2016

₹ in Million

	Notes	AS at 31/03/2017 (End of last period presented under previous GAAP)			As at 01/04/2016 (Date of Transition)		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
ASSETS							
Non-current assets							
(a) Property, Plant & Equipment	5(v)(f)	462.62	(0.64)	461.98	369.71	(0.65)	369.06
(b) Capital work in progress		19.95	-	19.95	43.15	-	43.15
(c) Other Intangible Assets		17.73	-	17.73	25.90	-	25.90
(d) Financial Assets							
(i) Investments	5(v)(a)	226.30	2.66	228.96	226.82	10.30	237.12
(ii) Loans		1.19	-	1.19	-	-	-
(iii) Others	5(v)(b)	28.11	(20.11)	8.00	44.09	(20.83)	23.26
(e) Non Current Tax Assets (net)					5.09	-	5.09
(f) Other Assets		3.72	-	3.72	6.19	-	6.19
Total non-current assets		**759.62**	**(18.09)**	**741.53**	**720.95**	**(11.18)**	**709.77**
Current Assets							
(a) Inventories		594.53	-	594.53	495.15	-	495.15
(b) Financial Assets							
(i) Investments	5(v)(a)	439.99	10.65	450.64	130.38	29.31	159.69
(ii) Trade Receivables		524.36	-	524.36	316.80	-	316.80
(iii) Cash & Cash Equivalents		28.23	-	28.23	86.38	-	86.38
(iv) Bank balances other than (iii) above		2.16	-	2.16	165.20	-	165.20
(v) Loans		4.29	-	4.29	9.96	-	9.96
(vi) Others		103.28	-	103.28	5.25	-	5.25
(c) Other current assets	5(v)(f)	36.26	0.64	36.90	30.12	0.65	30.77
Total current assets		**1,733.10**	**11.29**	**1,744.39**	**1,239.24**	**29.96**	**1,269.20**
Total assets		**2,492.72**	**(6.80)**	**2,485.92**	**1,960.19**	**18.78**	**1,978.97**
EQUITY & LIABILITIES							
Equity							
(a) Equity Share Capital		29.23	-	29.23	29.23	-	29.23
(b) Other Equity		1,629.29	(10.49)	1,618.80	1,384.02	24.48	1,408.50
Total equity (shareholders' funds under previous GAAP)		**1,658.52**	**(10.49)**	**1,648.03**	**1,413.25**	**24.48**	**1,437.73**
LIABILITIES							
Non-current liabilities							
(a) Deferred tax liabilities (Net)	5(v)(g)	24.62	3.69	28.31	25.11	10.14	35.25
Total non-current liabilities		**24.62**	**3.69**	**28.31**	**25.11**	**10.14**	**35.25**
Current liabilities							
(a) Financial Liabilities							
(i) Trade payables		466.23	-	466.23	245.02	-	245.02
(ii) Other Current financial liabilities		79.22	-	79.22	52.79	-	52.79
(b) Other current liabilities		245.11	-	245.11	189.22	-	189.22
(c) Provisions		13.70	-	13.70	34.80	(15.84)	18.96
(d) Current tax liabilities (net)		5.32	-	5.32	-	-	-
Total current liabilities		**809.58**	**-**	**809.58**	**521.83**	**(15.84)**	**505.99**
Total liabilities		**834.20**	**3.69**	**837.89**	**546.94**	**(5.70)**	**541.24**
Total Equity & Liabilities		**2,492.72**	**(6.80)**	**2,485.92**	**1,960.19**	**18.78**	**1,978.97**

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

5(ii) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2017

₹ in Million

	Notes	Year ended 31/03/2017 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of Transition to Ind AS	Ind AS
Revenue from Operations	5(v)(e)	2,663.07	250.89	2,913.96
Other income	5(v)(a)/(b)	77.83	(25.60)	52.23
Total Income (A)		**2,740.90**	**225.29**	**2,966.19**
Expenses				
Cost of materials consumed		1,181.59	-	1,181.59
Changes in inventories of finished goods, stock-in-trade and work in progress		(24.11)	-	(24.11)
Excise Duty on sale of Goods	5(v)(e)	-	250.89	250.89
Employee benefits expense	5(v)(d)	309.33	2.34	311.67
Finance costs		8.98	-	8.98
Depreciation and amortisation expense		73.83	-	73.83
Labour Charges		244.63	-	244.63
Other expenses		541.22	-	541.22
Total expenses (B)		**2,335.47**	**253.23**	**2,588.70**
Profit before tax		**405.43**	**(27.94)**	**377.49**
Tax expense				
(1) Current tax		123.71	-	123.71
(2) Deferred tax	5(v)(g)	(0.48)	(6.46)	(6.94)
Profit for the period from continuing operations		**282.20**	**(21.48)**	**260.72**
Profit from discontinued operations before tax		-	-	-
Tax expense of discontinued operations		-	-	-
Profit from discontinued operations (after tax)		-	-	-
Profit for the period		282.20	(21.48)	260.72
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss Others (Actuarial Gain on Gratuity)	5(v)(d)	-	2.34	2.34
(ii) Income tax relating to items that may be reclassified to profit or loss		-	-	-
Total other comprehensive income (A (i-ii)+B(i-ii))		**-**	**2.34**	**2.34**
Total comprehensive income for the period		**282.20**	**(19.14)**	**263.06**

5(iii) Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016

₹ in Million

	Notes	AS at 31/03/2017 (End of last period presented under previous GAAP)	As at 01/04/2016 (Date of Transition)
Total equity (shareholders' funds under previous GAAP)		**1,658.52**	**1,413.25**
Effect of measuring investment at fair value through profit and loss (Gross)	5(v)(a)	13.31	39.61
Deferred tax adjustment on fair valuation	5(v)(g)	(3.69)	(10.14)
Fair Valuation of interest free security deposit given	5(v)(b)	(20.83)	(20.83)
Notional Interest Income on interest free security deposit given	5(v)(b)	0.72	-
Provision for Proposed dividend reversed	5(v)(c)	-	15.84
Total Adjustments to equity		**(10.49)**	**24.48**
Total Equity under IndAS		**1,648.03**	**1,437.73**

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

5(iv) Reconcilation of Total Comprehensive Income for the year ended March 31, 2017

₹ in Million

	Notes	Year ended 31/03/2017 (Latest period presented under previous GAAP)
Profit as per previous GAAP		282.20
Adjustments:		
Effect of measuring investment at fair value through profit and loss	5(v)(a)	25.62
Reversal of MTM Gain of fair valuation of Investments on its actual sales	5(v)(a)	(51.92)
Reclassification of Actuarial (Gain) / Loss on employee defined benefit plan recognized to Other Comprehensive Income	5(v)(d)	(2.34)
Interest Income due to fair valuation of interest free security deposit given	5(v)(b)	0.70
Deferred tax adjustment	5(v)(g)	6.46
Total effect of Transition to Ind AS		**(21.48)**
Profit for the year as per Ind AS		**260.72**
Other comprehensive Income for the Year (net of Tax) [Actuarial Gain in relation to Gratuity]	5(v)(d)	2.34
Total comprehensive Income under Ind AS		**263.06**

5(v) Notes to the Reconciliations between Previous GAAP and Ind AS

a) Fair Valuation of Investments:

The Company has fair valued all the Investments in Mutual Funds and Equity Shares on the date of transition and the gain or loss on the same has been adjusted in the Retained Earning. Going forward, the Company intends to classify these investments as Fair Value through Profit and Loss (FVTPL) and gain or loss will be adjusted in the Statement of Profit and Loss.

The company has opted previous GAAP value as deemed cost for Investments in Subsidiary companies. Going forward, the company intends to value the same at cost only.

b) Fair Valuation of Interest Free Deposit:

The company has given an interest free lease deposit to M/s Ready Mix concrete limited. On the transition date, company has fair valued the same by discounting the deposit with the interest free discount rate and the difference between fair value and previous IGAAP value is recognised in opening reserve. Going forward, the notional interest on deposit at risk free interest rate has been recognised in Statement of Profit and Loss.

c) Declaration of Dividend:

As per the requirements of IND AS 10, the proposed dividend and tax thereon need to be accounted in the period when it is approved by the share holders. Under previous GAAP (before April 1, 2016) the proposed dividend was accounted in the period in which it was proposed by the board of directors. Accordingly, In opening Balance sheet, Proposed dividend is added back to reserves by reducing the provision balance.

d) Actuarial gain or losses regrouping:

In accordance with IND AS 19, the actuarial gain / loss in relation to Defined Benefit Plan (Gratuity) is regrouped under Other Comprehensive Income instead of Statement of Profit and Loss as per previous IGAAP.

e) Excise Duty Gross up:

As per Schedule III to Companies Act, 2013 (as applicable to companies following IND AS) , the excise duty needs to be grossed up in revenue and separately shown as an expense item. As per the above requirement the excise duty has been grossed up and shown separately on the face of the Statement of Profit and Loss.

f) Reclassification of prepaid amount on Leasehold Land:

On the date of transition, the Company has reclassified the amount prepaid on Lease Hold land from Tangible Assets to Prepayments. The Company will amortize the reclassified amount from Prepayments.

g) Implication of Tax Expense:

The impact of deferred tax has been considered for all the Ind AS adjustments recorded and where there are temporary differences, the deferred tax related to same has been adjusted in the Tax Expense of that period.

Cash Flow Statement

The Transition from Indian GAAP to Ind AS has not had a material impact on the statement of Cash Flows.

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

6 PROPERTY, PLANT & EQUIPMENT

₹ in Million

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

₹ in Million

CLASS OF ASSETS	GROSS BLOCK (at Deemed Cost)				DEPRECIATION				NET BLOCK
	As on April 1, 2016	Additions	Deductions	As on March 31, 2017	Upto April 1, 2016	For the Year	On Deductions	Upto March 31, 2017	As on March 31, 2017
Freehold Land	2.32	-	-	2.32	-	-	-	-	2.32
Leasehold Improvement	18.02	-	-	18.02	-	1.37	-	1.37	16.65
Buildings	147.18	59.78	-	206.96	-	6.71	-	6.71	200.25
Plant & machineries	153.74	82.36	0.01	236.09	-	41.47	0.01	41.46	194.63
Office Equipment	9.93	10.90	0.07	20.76	-	5.24	0.04	5.20	15.56
Furniture & Fixtures	9.67	0.81	-	10.48	-	2.15	-	2.15	8.33
Vehicles	28.20	4.45	0.49	32.16	-	7.98	0.06	7.92	24.24
Total	**369.06**	**158.30**	**0.57**	**526.79**	**-**	**64.92**	**0.11**	**64.81**	**461.98**

7 INTANGIBLE ASSETS

₹ in Million

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

₹ in Million

CLASS OF ASSETS	GROSS BLOCK				AMORTISATION				NET BLOCK
	As on April 1, 2016	Additions	Deductions	As on March 31, 2017	Upto April 1, 2016	For the Year	On Deductions	Upto March 31, 2017	As on March 31, 2017
Computer Software	24.87	0.74	-	25.61	-	7.88	-	7.88	17.73
Technical Knowhow	1.03	-	-	1.03	-	1.03	-	1.03	-
Total	**25.90**	**0.74**	**-**	**26.64**	**-**	**8.91**	**-**	**8.91**	**17.73**

Notes:

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

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

Depreciation and amortisation expense

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of Property, plant and equipment	75.50	64.92
Amortisation of intangible assets	7.56	8.91
Total depreciation and amortisation expense	**83.06**	**73.83**

8 INVESTMENTS

(i) Non Current

₹ in Million

	Face value	Qty As at March 31, 2018	Amount As at March 31, 2018	Qty As at March 31, 2017	Amount As at March 31, 2017	Qty As at April 1, 2016	Amount As at April 1, 2016
Equity Shares (unquoted)							
Subsidiary Companies (at cost)							
GMM Mavag AG (Face Value CHF 1,000)	1000	5,000	213.90	5,000	213.90	5,000	213.90
Karamsad Investment Ltd	10	260,000	2.60	260,000	2.60	260,000	2.60
Karamsad Holding Ltd.	10	350,000	3.50	350,000	3.50	350,000	3.50
			220.00		**220.00**		**220.00**
Shares in Co-operative Societies (unquoted) (at fair value)							
Karamsad Urban Co-op. Bank Ltd.	10	-	-	-	-	1,200	-
Charotar Gas Sahakari Mandali Ltd.	500	10	0.01	10	0.01	10	0.01
			0.01		**0.01**		**0.01**
Other Investments (at fair value)							
Equity Shares (quoted)							
Abbott India Ltd.	10	-	-	-	-	100	0.47
BASF India Ltd.	10	-	-	-	-	276	0.24
Bayer Cropscience Ltd	10	-	-	-	-	50	0.19
Clariant Chemical India	10	-	-	-	-	50	0.03
Dharamshi Morarji Chemicals Co. Ltd.	10	-	-	-	-	100	0.01
Excel Crop Care Ltd.	5	-	-	-	-	112	0.13
Excel Industries Ltd.	5	-	-	-	-	112	0.03
Futura Polyster Ltd	10	100	-	100	-	100	-
Glaxo Smithkline Pharmaceuticals Ltd.	10		-	-	-	122	0.46
GHCL	10	100	0.03	100	0.03	100	0.01
Hico Products Ltd.	10	-	-	-	-	625	-
IDI Ltd	10	-	-	66	-	66	-
Innovssynth Investments Ltd (As per arrangement with Futura)	10	-	-	-	-	45	-
Kansai Nerolac Paints Ltd.	1	-	-	-	-	6,660	1.87
Nestle India Ltd.	10	-	-	-	-	93	0.52
Novartis (India) Ltd.	5	-	-	-	-	70	0.05
Piramal Enteprise Ltd	2	-	-	-	-	399	0.42
Piramal Phytocare Ltd. (formerly Piramal Life Sciences Ltd)	10	-	-	-	-	39	-
Piramal Glass Ltd	10	-	-	-	-	19	-

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

₹ in Million

	Face value	Qty As at March 31, 2018	Amount As at March 31, 2018	Qty As at March 31, 2017	Amount As at March 31, 2017	Qty As at April 1, 2016	Amount As at April 1, 2016
Peninsula Land Ltd.	2	-	-	-	-	1,040	0.02
Pfizer Ltd.	10		-	-	-	170	0.30
Skyline Millars Ltd	1	1,406,000	3.94	1,406,000	4.05	1,406,000	4.09
Shubh Shanti Services Ltd.	10		-	25	-	25	-
Tata Chemicals Ltd.	10		-	-	-	161	0.06
United Phosphorus Ltd	2		0	-	-	7,500	3.50
			3.97		4.08		12.40
Government Securities (quoted) (at fair value)							
Indian Railway Finanace Corp. Bonds	1000	4,350	4.77	4,350	4.87	4,350	4.71
Total Investments			**228.75**		**228.96**		**237.12**
Aggregate amount of quoted investments			8.74		8.95		17.11
Aggregate amount of unquoted investments			220.01		220.01		220.01

(ii) Current

₹ in Million

	Face value	No. of Units As at March 31, 2018	Amount As at March 31, 2018	No. of Units As at March 31, 2017	Amount As at March 31, 2017	No. of Units As at April 1, 2016	FV As at April 1, 2016
In Units of mutual Funds, Unquoted (at fair value)							
IDFC SSIF Medium Term Plan A - Growth	10	-	-	-	-	1,379,698	34.96
Reliance Dynamic Bond Fund - Growth	10	-	-	1,776,287	39.72	632,586	12.69
Birla Sun Life Govt. Securities long term - Growth	10	-	-	-	-	606,632	26.74
Reliance Short Term Fund - Growth	10	-	-	-	-	1,387,389	39.23
HDFC High Interest Fund Dynamic Plan-Growth	10	-	-	-	-	283,306	14.45
ICICI Prud.In.Regular Plan - Growth	10	-	-	-	-	210,936	9.79
HDFC Corporate Debt Opportunities Fund - Regular - Growth	10	3,724,744	53.68	875,350	11.87	875,350	10.74
Birla Sun Life Corporate Bond Fund - Regular - Growth	10	6,033,447	78.08	6,033,447	72.18	986,329	10.70
Birla Sun Life Cash Manager - Growth	10	2,911	1.21	2,911	1.14	1,072	0.39
ICICI Prudential Short term - Growth	10	1,369,318	49.56	1,369,318	46.72	-	-
Tata Short Term Bond Fund - Growth	10	1,358,581	43.87	1,358,581	41.53	-	-
Birla Sun Life Short Term Opportunity fund - Growth	10	3,097,541	89.38	3,097,541	84.05	-	-
HDFC Short Term Plan - Growth	10	942,948	32.47	942,948	30.56	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

₹ in Million

	Face value	No. of Units As at March 31, 2018	Amount As at March 31, 2018	No. of Units As at March 31, 2017	Amount As at March 31, 2017	No. of Units As at April 1, 2016	FV As at April 1, 2016
Reliance Corporate Bond Fund - Growth	10	5,777,592	80.96	5,777,592	76.07	-	-
L&T Income Opportunities Fund - Growth	10	2,507,165	49.91	2,507,165	46.80	-	-
IDFC Money Manager Fund - Treasury Plan	10	8,767	0.09		-		-
Birla Sun Life Floating Rate Fund STP Growth	10	76,634	17.71		-		-
			496.92		**450.64**		**159.69**

Category wise classification of investments - as per Ind AS 109

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets carried at fair value through profit or loss (FVTPL)			
i) Mandatorily measured at FVTPL (Investment in growth mutual fund)	496.92	450.64	159.69
ii) designated as at FVTPL (Investment in equity instruments and government securities)	8.75	8.96	17.12
	505.67	**459.60**	**176.81**

9 LOANS

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non Current (Unsecured)			
Loans to related party (Refer Note:38)	-	1.19	-
	-	**1.19**	**-**
(ii) Current			
Loans to related party (Refer Note:38)	1.19	2.93	6.00
Loans to employees	1.54	1.36	3.96
	2.73	**4.29**	**9.96**

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

10 OTHER FINANCIAL ASSETS

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non Current			
Security Deposit (including considered deabtful as at 31.03.2018 ₹ 0.69 million, as at 31.03.2017 ₹ 0.69 million as at 1.04.2016 ₹ 0.69 million (Refer Note : 30)	9.16	8.69	23.95
Less : Provision for doubtful security deposits	(0.69)	(0.69)	(0.69)
	8.47	**8.00**	**23.26**
(ii) Current			
Accrued income	0.79	1.12	2.93
Unbilled Revenue	137.07	96.42	-
Leave Encashment Fund	-	3.66	-
Advances to related party	0.51	2.08	2.32
	138.37	**103.28**	**5.25**

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
Contracts in Progress at the end of reporting Period		
1. Contract Revenue Recognise as per Percentage of Completion Method	40.65	96.42
2. Contract Cost Incurred up to the reporting date	29.71	65.71
3. Recognised Profit (1-2)	10.94	30.71
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	137.07	96.42
(ii) Amounts due to Customers under construction contracts	-	-
6. Retentions held by customer	-	-
7. Advances received from customers	**34.56**	**14.42**

11 OTHER ASSETS

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non Current			
Capital Advances	2.09	0.92	2.80
Balances with indirect tax authorities	3.32	2.80	3.39
	5.41	**3.72**	**6.19**
(ii) Current			
Balances with indirect tax authorities	17.07	9.90	10.20
Prepaid expenses	34.68	13.41	14.40
Advance to suppliers	10.49	11.41	5.28
Employee Advances	1.71	0.99	0.35
Others	0.55	1.19	0.54
	64.50	**36.90**	**30.77**

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

12 INVENTORIES

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Valued at lower of cost or net realisable value)			
Raw materials (including in transit ₹ 1.88 million)	309.27	288.92	220.62
Work-in-progress	318.86	251.77	219.61
Finished goods (including in transit for as at March 31, 2017 ₹ 6.39 million and as at March 31, 2016 ₹ 9.06 million)	130.86	29.15	37.20
Stores and spares	28.91	24.69	17.72
	787.90	**594.53**	**495.15**

13 TRADE RECEIVABLES

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured			
Considered good	419.65	524.36	316.80
Considered doubtful	53.03	56.64	45.91
	472.68	**581.00**	**362.71**
Other debts			
Less : Allowance for doubtful debt	53.03	56.64	45.91
	419.65	**524.36**	**316.80**

Movement in the expected credit loss allowance

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Balance at beginning of the year	56.64	45.91
Add: Provision made during the year	6.57	20.53
Less: Provision used during the year	-10.18	-9.80
Balance at the end of the year	53.03	56.64

14 CASH AND BANK BALANCES

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash and Cash Equivalents			
Balances with banks			
- In current accounts	20.07	28.11	34.21
- In deposit accounts with maturity less than three months	90.17	-	51.84
Cash and stamps on hand	0.20	0.12	0.33
	110.44	**28.23**	**86.38**
Other Bank Balances			
- In deposit accounts with maturity greater than three months but less than twelve month	-	-	162.92
- In unpaid dividend accounts - Earmarked balances	2.23	2.16	2.28

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

	2.23	**2.16**	**165.20**

15 EQUITY SHARE CAPITAL

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised			
25,000,000 (PY 25,000,000) Equity shares of ₹ 2/- each	50.00	50.00	50.00
Issued, Subscribed and Paid-up			
14,617,500 (PY 14,617,500) Equity shares of ₹ 2/- each fully paid up	29.23	29.23	29.23
TOTAL	**29.23**	**29.23**	**29.23**

a Reconciliation of equity shares outstanding at the beginning and end of the reporting year

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Equity Shares:			
At the Beginning of the year	29.23	29.23	29.23
Changes in equity share capital during the year	-	-	-
Balance at the end of the year	**29.23**	**29.23**	**29.23**

b Terms/rights attached to equity shares

The company has only one class of equity shares having a par value ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Particulars	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Pfaudler Inc (Holding Company)	7,372,475	50.44%	7,372,475	50.44%	7,375,217	50.45%
Skyline Millars Limited	1,625,595	11.12%	1,625,595	11.12%	1,625,595	11.12%

d Buyback of Shares, Bonus Shares and Shares issued for Consideration other than cash.

The company has not bought back any shares, neither has it issued bonus shares nor has it issued shares for consideration

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

other than cash in the past five years.

16 OTHER EQUITY

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Reserve			
Balance at the beginning of the year	0.02	0.02	0.02
Movement during the year	-	-	-
Balance at the end of the year	**0.02**	**0.02**	**0.02**
Cash Subsidy Reserve			
Balance at the beginning of the year	0.69	0.69	0.69
Movement during the year	-	-	-
Balance at the end of the year	**0.69**	**0.69**	**0.69**
Securities Premium Account			
Balance at the beginning of the year	149.28	149.28	149.28
Movement during the year	-	-	-
Balance at the end of the year	**149.28**	**149.28**	**149.28**
General Reserve:			
Balance at the beginning of the year	211.27	211.27	211.27
Add: Transfer from Profit and Loss account	-	-	-
Balance at the end of the year	**211.27**	**211.27**	**211.27**
Surplus in Statement of Profit and loss			
Balance at the beginning of the year	**1,257.54**	**1,047.24**	**907.78**
Add/ (Less): Net Profit/(Loss) for the year	280.40	263.06	192.22
Less : Appropriations			
Interim Dividend [Dividend Per Share ₹ 2.10, (Previous Year ₹ 2.10)]	30.70	30.70	30.70
Final Dividend [Dividend Per Share ₹ 1.90, (Previous Year ₹ 0.90)]	27.77	13.16	13.16
Tax on distributed profits	11.91	8.90	8.90
Transfer to General Reserve	-	-	-
Balance at the end of the year	**1,467.56**	**1,257.54**	**1,047.24**
	1,828.82	**1,618.80**	**1,408.50**

Nature and Purpose of Reserves

General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the Statement of Profit and Loss.

Securities Premium Reserve

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

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

17 DEFERRED TAX LIABILITIES

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax assets	(10.17)	(13.81)	(12.23)
Deferred tax liabilities	59.46	42.12	47.48
Net Deferred Tax Liability	**49.29**	**28.31**	**35.25**

₹ in Million

Particulars	2017-18			2016-17		
	Opening Balance	Charged to / (Reversed from) Statement of P & L	Closing Balance	Opening Balance	Charged to / (Reversed from) Statement of P & L	Closing Balance
Deferred tax liabilities / (assets) in relation to:						
Property, Plant and Equipment	38.44	8.48	46.92	37.34	4.78	42.12
Investments classified as FVTPL	3.68	8.86	12.54	10.14	(10.14)	-
Provision for Doubtful debt	(13.81)	3.64	(10.17)	(12.23)	(1.58)	(13.81)
	28.31	**20.98**	**49.29**	**35.25**	**(6.94)**	**28.31**

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

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
Profit Before tax from Continuing Operations	**438.95**	**377.49**
Income Tax using the Company's domestic Tax rate #	151.91	130.66
Tax Effect of :		
- Non deductible Expenses	27.40	29.69
- Tax - Exempt income	-	(3.72)
- Deduction on account of Expenses allowable in Tax but not claimed in book	(34.69)	(29.29)
- Tax impact on Income charged under Capital Gain	(1.70)	(13.29)
- Changes in recognised deductible temporary differences	20.78	(6.87)
- Changes in recognised deductible temporary differences due to change in rate of tax	0.20	(0.07)*
- Tax impact on notional income / expense	(8.70)	9.66
Income Tax recognised In Statement of Profit and Loss from Continuing Operations (Effective Tax Rate)	155.20	116.77

The Tax rate used for Financial Year 2017-18 and 2016-17, in reconciliation above is the corporate tax rate of 34.608% payable by corporate entity in India on taxable profits under the Indian Tax Law

(b) Income Tax Expense

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current Tax:		
Current Income Tax Charge	134.22	123.71
Adjustments in respect of prior years		
Deferred Tax		
Deferred Tax Charge for the year	20.98	(6.94)
Total Tax Expense recognised in profit and loss account	**155.20**	**116.77**

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

18 TRADE PAYABLES

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
- Dues to Micro, Small and Medium Enterprises	18.81	14.78	0.78
- Dues to other Creditors	471.22	451.45	244.24
	490.03	**466.23**	**245.02**

Note:
In the absence of any information from vendors regarding the status of their registration under the "Micro Small and Medium Enterprise Development Act 2006" the Company is unable to comply with the disclosures required to be made under the said Act. For the purpose of classifying Trade Payables into Dues to Micro, Small and Medium Enterprises and other creditors, company has relied on the information received in corresponding previous period. This has been relied upon by the Auditors.

19 OTHER FINANCIAL LIABLITIES

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Unclaimed Dividend	2.23	2.15	2.28
Payables for Capital Expenditure	27.49	10.96	5.25
Employee benefits payable	65.92	66.11	45.26
	95.64	**79.22**	**52.79**

The amount of Unclaimed Dividend reflects the position as at March 31, 2018. During the year, the company has transferred an amount of ₹ 0.26 Millions (Previous year ₹ 0.31 Millions) to the Investors' Education and Protection Fund in accordance with the provisions of section 125 of the Companies Act, 2013.

20 PROVISIONS

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Provision for employee benefits (Note (i))	9.30	1.12	5.76
Provision for unexpired warranty (Note (ii))	13.39	12.58	13.20
	22.69	**13.70**	**18.96**

Note:
(i) Provision for employee benefits includes amount payable to employees on account of Gratuity and compensated absences. Movement of Provision for employee benefits is disclosed under Note 35.

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

Provision for unexpired warranty

₹ in Million

Particulars	Year ended March 31, 2018
Opening balance	**12.58**
Add: Additional provision made during the year	16.30
Less: Provision amount used during the year	15.49
Closing balance	**13.39**

21 CURRENT TAX LIABILITIES /(NON CURRENT TAX ASSETS)

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Income Tax	468.37	334.15	210.44
Advance payment of Taxes	(457.59)	(328.83)	(215.53)
	10.78	5.32	(5.09)

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

22 OTHER LIABILITIES

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Advances from customers	362.78	232.20	179.50
Statutory dues payable	9.10	12.91	9.72
	371.88	**245.11**	**189.22**

23 REVENUE FROM OPERATIONS

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from Sale of Products	3,134.65	2,876.94
Other Operating Revenues	42.08	37.02
Total	**3,176.73**	**2,913.96**

Post implementation of Goods and Service Tax (GST) with effect from July 1, 2017, revenue from operation is disclosed net off GST. Revenue from operations for the year ended March 31, 2018 includes excise duty upto June 30, 2017. Accordingly, revenue from operations for the year ended March 31, 2018 are not comparable to those of previous years presented

24 OTHER INCOME

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income (Gross)		
- Non - current investments	0.35	0.35
- Deposits with banks	0.25	9.89
-Others	1.34	2.31
Dividend Income		
- Non-Current Investments	-	0.10
Net Gain/ (Loss) on Sale of Investments		
- Non-Current Investments	(0.02)	10.75
- Current Investments	3.35	43.43
Net Gain/ (Loss) on Investments Classified as FVTPL		
- Non-Current Investments	(0.20)	(7.65)
- Current Investments	25.34	(18.65)
Other non-operating income		
- Bad Debts Recovered	1.38	0.18
- Reversal of Provision for doubtful debts and advances	10.80	-
- Profit on sales of fixed assets	2.23	0.87
- Miscellaneous Income	21.68	10.65
Net gain on foreign exchange translations	3.89	-
Total	**70.39**	**52.23**

25 COST OF MATERIALS CONSUMED

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stock of Raw Materials	313.61	238.34
Add: Purchases during the year	1,506.46	1,256.86
	1,820.07	**1,495.20**
Less: Closing stock of Raw Materials	338.18	313.61
Total	**1,481.89**	**1,181.59**

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

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

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Inventory of finished good at the beginning of the year	29.15	37.20
Inventory of work in progress at the beginning of the year	251.77	219.61
	280.92	**256.81**
Inventory of finished good at the closing of the year	130.86	29.15
Inventory of work in progress at the closing of the year	318.86	251.77
	449.72	**280.92**
	(168.80)	**(24.11)**

27 EMPLOYEE BENEFITS EXPENSE

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and Wages	327.48	280.18
Contribution to Provident and Other Funds (Refer Note 35)	23.94	20.65
Staff Welfare Expenses	13.31	10.84
Total	**364.73**	**311.67**

28 FINANCE COSTS

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Expense	3.98	3.75
Other financial charges	6.33	5.23
Total	**10.31**	**8.98**

29 OTHER EXPENSES

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Power & Fuel	192.23	141.45
Stores & Spares Consumption	124.91	102.94
Repairs to Machinery	38.15	32.98
Repairs to Buildings	4.59	2.87
Repairs- Others	1.98	1.97
Rent (Refer Note: 31)	33.95	31.48
Insurance	9.25	7.31
Rates & Taxes	3.17	3.26
Royalty	17.81	15.48
Travel & Conveyance	36.90	30.96
Communication	4.71	7.26
Bad debts written off	1.93	3.80
Provision for doubtful debts and advances	-	3.91
Provision for Warranty expenses	0.82	0.85
Advertisement and sales promotion	7.18	5.92
Commission	1.95	1.12
Legal and professional fees	52.78	39.80
Freight outward	62.87	43.38
Payments to auditors (Refer Note :34)	3.66	2.98
Expense on CSR activities (Refer Note:40)	6.92	7.80
Miscellaneous Expenses	60.08	52.82
Foreign exchange loss/(gain)	-	0.88
Total	**665.84**	**541.22**

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

30 DEPOSITS

Security Deposits include ₹ 8.22 million (as at 31st March, 2017 : ₹ 7.62 million and as at 1st April, 2016 : ₹ 9.88 million) of security deposits paid to Ready Mix Concrete Limited (a entity in which Key Managerial Person have significant influence) for use of three additional factory sheds taken under lease by the Company from November 01, 2012.

31 OPERATING LEASE

The Company's significant leasing arrangements are in respect of operating leases for factory shed / premises and guest house.These lease agreements range up to 36 months from the end of the current financial year and are usually renewable by mutual consent on mutually agreeable terms.

The total future minimum lease payments under operating lease are as under:

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Total Minimum lease payments		
Payable within one year	30.01	27.03
Payable later than one year and not later than five years	6.73	29.01
Payable after five years	-	-
(ii) Lease payments recognised in Statement of Profit and Loss for the year (Refer Note : 29)	33.95	31.48

32 CONTINGENT LIABILITIES AND COMMITMENTS

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
1) Contingent Liabilities		
a) Claim against the Company not acknowledged as debts		
i) Dispute relating to Excise, Service tax and Sales tax	19.54	16.91
ii) Matter decided in favour of the company where the income tax department has preferred appeals.	63.41	61.14
iii) Disputed demands relating to tax against which the Company has preferred appeals.	10.15	12.51
Note: Againts the above, the company has paid ₹ 2.66 Millions. The expected outflow will be determined at the time of final outcome in respect of concerned matter. No amount is expected to be reimbursed. Disputes under Indirect Tax Laws are mainly related to 1) demand of CENVAT credit of Excise Duty availed in respect of material sent for job work, re-glass lining of old and used glass lined equipment 2) Service Tax availed on Goods Transport Agency services and 3) Value Added tax & Central Sales Tax in respect of free sales and non-receipt of C forms. Disputes under Direct Tax Laws are mainly related to disallowance of expense u/s 43B, 14A of Income Tax Act, 1961 and upward adjustment in Arm's length Price.		
b) Guarantee issued by bank against customer advances and product's performance	359.18	294.36
2) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	47.94	11.62

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

33 DETAILS OF MAJOR PRODUCTS SOLD

₹ in Million

Particulars	Year ended March 31, 2018 Value	Year ended March 31, 2017 Value
Items		
1. Enameled acid & alkali and chemical equipment	1,857.98	1,674.22
2. Mild steel and stainless steel equipment	990.73	960.31
3. Fusion seamed products and Isostatic moulded products		
- Dip pipes and sparger	3.06	15.04
4. Others	324.96	264.39
	3,176.73	**2,913.96**

34 PAYMENTS TO AUDITORS

₹ in Million

Particulars	Year March 31, 2018	Year March 31, 2017
As Auditor		
(i) Statutory Audit fees	2.15	1.63
(ii) Limited review fees	0.90	0.67
(iii) Tax audit fees	0.20	0.20
Other services		
(i) Certification	0.18	0.33
Reimbursement of out-of-pocket expenses	**0.23**	**0.15**
	3.66	**2.98**

35 AS PER IND AS 19 "EMPLOYEE BENEFITS", THE DISCLOSURES AS DEFINED IN THE ACCOUNTING STANDARD ARE GIVEN BELOW:

Defined Contribution Plans

The Company operates defined contribution retirement benefit plans for all qualifying employees in the form of provident fund, superannuation fund, family pension fund.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

₹ in Million

Particulars	Year March 31, 2018	Year March 31, 2017
Employer's Contribution to Provident Fund	9.63	7.55
Employer's Contribution to Superannuation Fund	4.25	3.63
Employer's Contribution to Pension Scheme	5.74	4.73

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 yeilds at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on planned asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan liability.

In respect of the plan , the most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at March 31, 2018 by M/S K A Pandit, Fellow member of the Institute of the Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost,were measured using the projected unit credit method.

The amounts recognized in the Company's financial statements as at the year end are as under:

₹ in Million

		Gratuity (Funded)		Compensated Absences (Funded)	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
a	**Assumptions :**				
	Discount Rate	7.87%	7.52%	7.87%	7.52%
	Rate of Return on Plan Assets	7.87%	7.52%	7.87%	7.52%
	Salary Escalation	6.0%	6.0%	6.0%	6.0%
	Mortality	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08
	Average Past Service	6.89 Years	7.61 Years	6.89 Years	7.61 Years
	Average Age	36.04 Years	36.85 Years	36.04 Years	36.85 Years
	Rate of Employee Turnover	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a.	2.0%	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a.	2.0%
		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	45.54	45.31	13.09	16.60
	Interest cost	3.42	3.66	0.98	1.34
	Current service cost	2.81	3.33	2.05	2.21
	Benefit paid	(7.40)	(4.12)	(4.55)	(3.13)
	Actuarial (gains) and loss arising from changes in demographic assumption	(0.19)		(0.21)	
	Actuarial (gains) and loss arising from changes in financial assumptions	(1.60)	(1.75)	(0.78)	(0.73)
	Actuarial (gains) and loss arising from experience adjustments	4.54	(0.89)	7.98	(3.20)
	Liability at the end of the year	47.12	45.54	18.56	13.09
c	**Change in Plan Assets:**				
	Fair value of Plan Assets at the beginning of the year	44.41	40.03	16.75	16.11
	Expected Return on Plan Assets	3.34	3.23	1.26	1.30
	Contributions	1.47	5.57	0.06	0.88
	Benefit Paid	(7.40)	(4.12)	(2.57)	(1.39)
	Actuarial gain / (loss) on Plan Assets	(0.60)	(0.30)	(0.24)	(0.15)
	Fair value of Plan Assets at the end of the year	41.22	44.41	15.26	16.75
d	**Actual Return on Plan Assets:**				
	Expected Return on Plan Assets	3.34	3.23	1.26	1.30
	Actuarial gain / (loss) on Plan Assets	(0.60)	(0.30)	(0.24)	(0.15)
	Actual Return on Plan Assets	2.74	2.93	1.02	1.15

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

₹ in Million

		Gratuity (Funded)		Compensated Absences (Funded)	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
e	**Amount Recognized in the Balance Sheet:**				
	Present value of Funded defined benefit obligation at the end of the year	47.12	45.54	18.56	13.09
	Fair value of Plan Assets at the end of the year	41.22	44.41	15.26	16.75
	Net (Liability)/Asset Recognized in the Balance Sheet	(5.90)	(1.13)	(3.30)	3.66
f	**Expenses Recognized in the Statement of Profit & Loss :**				
	Current Service cost	2.81	3.33	2.05	2.21
	Interest Cost	0.08	0.43	(0.28)	0.04
	Net Actuarial (gain) / loss to be recognized	3.35	(2.34)	7.23	(3.78)
	Expense / (Income) Recognized in Statement of Profit and Loss	6.24	1.42	9.00	(1.53)
g	**Balance Sheet Reconciliation:**				
	Opening Net Liability	1.13	5.28	(3.66)	0.48
	Expenses recognised in Statement of Profit and Loss	2.89	3.76	9.00	(1.53)
	Expenses recognised in OCI	3.35	(2.34)	-	-
	Employers Contribution	(1.47)	(5.57)	(2.04)	(2.61)
	Net Liability / (Assets) Recognized in Balance Sheet	5.90	1.13	3.30	(3.66)
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	4.54	(0.89)	7.98	(3.20)
	Actuarial (Gains)/Losses on Plan Assets - Due to Experience	0.60	0.30	0.24	0.15
j	**Projected Contribution for next year**	**10.08**	**4.82**	**4.99**	**-**

k Sensitivity analysis for each significant actuarial assumption

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Projected Benefit obligation on current assumption	47.11	45.54
Impact of increase in discount rate by 1%	(4.10)	(3.46)
Impact of decrease in discount rate by 1%	4.84	4.06
Impact of increase in salary escalation rate by 1%	4.89	4.08
Impact of decrease in salary escalation rate by 1%	(4.20)	(3.54)
Impact of increase in rate of employee turnover by 1%	0.72	0.45
Impact of decrease in rate of employee turnover by 1%	(0.83)	(0.51)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

l Investment details of plan assets

The Plan assets are managed by Insurance group viz. Life Insurance Corporation of India which has invested the funds substantially as under :

₹ in Million

	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Insurance Fund	41.23	44.41	15.26	16.75
Total	**41.23**	**44.41**	**15.26**	**16.75**

m Maturity Profile

₹ in Million

	Gratuity	
Particulars	March 31, 2018	March 31, 2017
1st Following Year	3.72	7.78
2nd Following Year	1.45	2.64
3rd Following Year	6.62	2.26
4th Following Year	4.81	3.35
5th Following Year	2.95	4.02
Sum of Years 6 to 10	13.55	13.32
Sum of Years 11 and above	94.55	71.09

n Asset-liability matching strategies :

In respect of gratuity and Leave encashment plan, Company contributes to the insurance fund based on estimated liability of the next financial year end. The projected liability statement is obtained from the actuarial valuer.

36 FINANCIAL INSTRUMENT:

36.1 Capital Management

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

The company is zero debt company and its capital structure consists of own equity only. Hence, Gearing Ratio of the company for the year ended March 31, 2018 as well as March 31, 2017 comes to NIL.

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

36.2 Categories of Financial Instruments :

₹ in Million

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Financial assets			
Measured at fair value through profit or loss (FVTPL)			
(a) Mandatorily measured			
(i) Investment in Growth mutual fund	496.92	450.64	159.69
(b) Designated as at FVTPL			
(i) Investment in equity instruments	8.75	8.96	17.12
Measured at amortised cost			
(a) Cash and bank balances	112.67	30.39	251.58
(b) Other financial assets at amortised cost			
(i) Trade Receivables	419.65	524.36	316.80
(ii) Loans	2.73	5.49	9.96
(iii) Others	146.83	111.28	28.51
Financial liabilities			
Measured at amortised cost			
Trade Payables	490.03	466.23	245.02
Others	95.64	79.22	52.79

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

36.3 Financial risk management objectives

The entity's corporate treasury function provides services to the business, coordinates access to domestic and international financial market, monitors and manages the financial risks relating to the operations of the entity through internal risk reports which analyse exposures by degree and magnitude of the risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

36.3.1 Market Risk management

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates, interest rates and underlying investment prices.

The entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and investment prices.

(a) Foreign currency exchange rate risk:

The Company's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Since a major part of the Company's revenue and its costs are in Indian Rupees , any movement in currency rates would not have major impact on the Company's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The carrying amount of Foreign Currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

₹ in Million

Particulars	Currency	(Liabilities)/Assets as at March 31, 2018	March 31, 2017	April 1, 2016
Trade Payable (Net of advances)	USD	0.42	(2.76)	(3.01)
	EUR	(10.58)	(4.14)	0.11
	CHF	(1.53)	(0.11)	-
	JPY	(13.09)	0.11	0.57
Cash & Cash Equivalents*	USD	0.00	-	-
	EUR	0.00	-	-
Trade Receivable (Net of advances)	USD	20.63	7.25	12.65
	EUR	34.95	20.07	16.65
	CHF	0.35	-	2.83
Other Assets	CHF	0.51	2.08	2.32

* The value of INR equivalent to USD is 129 and to EUR is 1,575.

With respect to the Company's financial instruments (as given above), a 5% increase / decrease in relation to foreign currency rate on the underlying would have resulted in increase /decrease of ₹ 1.58 million (₹ 1.13 million) in the Company's net profit for the year ended March 31, 2018 and March 31, 2017 respectively.

(b) Interest rate risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The company does not have any outstanding borrowings at the end of any reporting period and hence company is not subject to any interest rate risk.

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

36.3 Financial risk management objectives (contd.)

(c) Other price risk

The Entity is exposed to price risks arising from its investments which are held for strategic as well as trading purposes.

The sensitivity analysis have been determined based on the exposure to price risks for Investments in equity shares of other companies and mutual funds at the end of the reporting period.

If prices had been 5% higher/lower:

Profit for the year ended 31 March, 2018 would increase/decrease by ₹ 25.28 millions (for the year ended March 31, 2017 by ₹ 22.98 millions) as a result of the change in fair value of investments.

36.3.2 Credit risk management

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables.

All trade receivables are subject to credit risk exposure. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company does not have significant concentration of credit risk related to trade receivables except the details given below for the customers contribute to more than 5% of total outstanding accounts receivable as at any reporting period end.

	Year ended March 31, 2018		Year ended March 31, 2017		Year ended April 1, 2016	
Custome Name	% of total receivables	(Amount in ₹)	% of total receivables	(Amount in ₹)	% of total receivables	(Amount in ₹)
Bayer Vapi Pvt. Ltd.	1.38%	6,515,131	10.25%	59,555,155	1.41%	5,129,970
Atul Limited	0.39%	1,857,849	0.59%	3,000,061	8.00%	28,999,022
Transpek-Silox Industry Private Ltd.	0.11%	525,000	0.00%	23,345	5.82%	21,104,915
P.I.Industries Ltd.	0.29%	1,382,231	7.23%	42,003,292	1.44%	5,229,810
China Kunlun Contracting & Engg Corp	2.61%	12,323,420	7.76%	45,101,054	0.00%	-
Deccan Fine Chemicals (I) Pvt. Ltd.	14.38%	67,875,692	8.98%	52,199,981	4.95%	17,936,774
Toyo Engineering India Ltd.	8.76%	41,346,914	3.12%	18,134,548	0.12%	425,855

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 1187.56 millions and ₹ 1131.10 millions as at March 31, 2018 and March 31, 2017 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments excluding investments in subsidiary companies, and these financial assets are of good credit quality including those that are past due.

36.3.3 Liquidity risk management:

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Entity's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Entity can be required to pay. The table below include only principal cash flows in relation to non-derivative financial liabilities.

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

36.3 Financial risk management objectives (contd.)

₹ in Million

Particulars	Up to 1 Year	1 to 5 years	5 years and above
As at March 31, 2018			
Trade payable	490.03	-	-
Other Financial Liabilities	95.64	-	-
Total	**585.67**	**-**	**-**
As at March 31, 2017			
Trade payable	466.23	-	-
Other Financial Liabilities	79.22	-	-
Total	**545.45**	**-**	**-**
As at April 1, 2016			
Trade payable	245.02	-	-
Other Financial Liabilities	52.79	-	-
Total	**297.81**	**-**	**-**

The following table details the Entity's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Entity's liquidity risk management as the liquidity is managed on a net asset and liability basis.

₹ in Million

Particulars	Less than 1 month	1 to 5 years	5 years and above
March 31, 2018			
Current Investments	496.92	-	-
Trade receivables	419.65	-	-
Cash & Cash equivalents	110.44	-	-
Bank balances other than above	2.23	-	-
Current Financial assets-Loans	2.73	-	-
Other Financial Assets	138.37	-	-
Non current Investments		8.75	-
Non current Financial assets- Loans		-	-
Other Non current Financial assets		0.25	8.22
Total	**1170.34**	**9.00**	**8.22**
March 31, 2017			
Current Investments	450.64	-	-
Trade receivables	524.36	-	-
Cash & Cash equivalents	28.23	-	-
Bank balances other than above	2.16	-	-
Current Financial assets-Loans	4.29	-	-
Other Financial Assets	103.28	-	-
Non current Investments		8.96	-
Non current Financial assets- Loans		1.19	-
Other Non current Financial assets		0.37	7.62
Total	**1,112.96**	**10.52**	**7.62**
April 1, 2016			
Current Investments	159.69	-	-
Trade receivables	316.80	-	-
Cash & Cash equivalents	86.38	-	-
Bank balances other than above	165.20	-	-
Current Financial assets-Loans	9.96	-	-
Other Financial Assets	5.25	-	-
Non current Investments	-	17.12	-
Non current Financial assets- Loans	-	-	-
Other Non current Financial assets	-	13.38	9.88
Total	**743.28**	**30.50**	**9.88**

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

37 FAIR VALUE MEASUREMENTS

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

Fair Value of the Entity's financial assets and financial liabilities that are measured at fair value on a recurring basis

₹ in Million

Financial Assets / financial liabilities	Fair Value as at				
	March 31, 2018	March 31, 2017	April 1, 2016	Fair Value hierarchy	Valuation technique(s) and key input(s)
1. Investments in Mutual Funds (Note 8)	496.92	450.64	159.69	Level 1	Quoted bid prices in an active market
2. Investments in equity instruments (Quoted) (Note 8)	3.97	4.08	12.40	Level 1	Quoted bid prices in an active market
3. Investments in equity instruments (Unquoted) (Note 8)	0.01	0.01	0.01	Level 3	Net asset approach - value per equity share of investment is derived by dividing net assets of company with total no. of equity shares issued by the company
4. Investments in Government Securities (Quoted) (Note 8)	4.77	4.87	4.71	Level 1	Quoted bid prices in an active market

Note 1: Significant unobservable inputs for Financial Instruments classified under "Level - 3" Fair Value hierarcy are Net Assets of the investee company as on the date of Fair Valuation.

Note 2: Reconciliation of Level 3 fair value measurements

₹ in Million

Particulars	Unlisted Equity Instrument
Opening Balance as at April 1, 2016	0.01
Total Gain/(Loss) in statement of Profit and Loss	-
Closing Balance as at March 31, 2017	0.01
Total Gain/(Loss) in statement of Profit and Loss	-
Closing Balance as at March 31, 2018	**0.01**

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

38 RELATED PARTY DISCLOSURES

(I) List of Related parties

(a) Parties where control exists:		
(i) Ultimate Holding Company	:	Pfaudler International S.a.r.l.
(ii) Holding Company	:	Pfaudler Inc.
(b) Subsidiaries Companies	:	Karamsad Holdings Ltd.
		Karamsad Investments Ltd.
		GMM Mavag AG
		Mavag AG
(c) Follow Subsidiaries	:	Pfaudler GmbH, Germany
		Pfaudler Balfour Ltd.
		Edlon PSI Inc.
		Suzhou Pfaudler Glass Lined Equipment Co. Ltd.
		Glass Steel Parts and Services
		Pfaudler S.r.l., Italy
		Pfaudler Limited, UK
		Pfaudler Rochester,USA
		Pfaudler Process Solution Group U.K. Limited
		Pfaudler Ltda, Brazil
		Normag Labournd Prozees Technik GmbH
		Interseal Dipl. - Ing. Rofl Schmitz GmbH
(d) Key management personnel	:	Mr. Tarak Patel – Managing Director
		Mr. Ashok Pillai – Chief Operating Officer
		Mr. Jugal Sahu – Chief Financial Officer
		Ms. Mittal Mehta – Company Secretary
(e) Relative of Key management personnel	:	Mr. Ashok Patel (Father of Mr. Tarak Patel)
		Mrs. Urmi Patel (Mother of Mr. Tarak Patel)
		Mrs. Uttara Gelhaus (Sister of Mr. Tarak Patel)
		Mrs. Payal Patel (wife of Mr. Tarak Patel)
(f) Enterprises over which key managerial personnel have significant influence	:	Skyline Millars Ltd.
		Ready Mix Concrete Ltd.
		Ashok J Patel - HUF
		JV Patel & Co.
		Oerlikon Textiles (I) Pvt. Ltd.

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

38 RELATED PARTY DISCLOSURES (CONTD.)

(II) Transactions with related parties

₹ in Million

Transaction	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Relative of Key Management Personnel		Key Management Personnel		Other Related Parties	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Purchase of goods	0.61	0.16	14.26	0.39	8.65	6.90	-	-	-	-	7.57	3.31
Sale of goods	-	4.17	75.51	44.68	74.51	35.92	-	-	-	-	-	-
Services received	1.11	0.17	-	8.52	0.14	0.35	-	-	-	-	0.48	0.65
Royalty	17.81	15.48	-	-	-	-	-	-	-	-	-	-
Lease Rent paid	-	-	-	-	-	-	-	-	-	-	34.20	30.40
	-		-		-		-	-	-		-	-
Remuneration	-	-	-	-	-	-	38.77	33.06	-	-	-	-
	-		-		-		-	-	-		-	-
Dividend paid	29.50	22.12	-	-	-	-	0.70	0.52	5.32	3.99	-	-
	-		-		-		-		-		-	-
Advance Received	-	-	-	-	-	4.55	-	-	-	-	-	-
	-		-		-		-		-		-	-
Advance Received back	-	-	1.40	-	-	-	-	-	-	-	-	-
	-		-		-		-		-		-	-
Repayment of Loan	-	-	-	-	-	-	2.94	2.40	-	-	-	-
	-		-		-		-		-		-	-
Balance outstanding#	-			-			-		-			-
Payables	15.94	-	8.22	0.11	1.97	5.77	12.60	13.05	-	-	2.94	3.14
	-		-	-	-		-		-			-
Receivables*	-	-	13.51	4.36	31.02	17.23	1.19	4.13	-	-	-	-
Deposit outstanding	-	-		-	-	-	-	-	-	-	27.73	27.73

* Receivable of Subsidiary include ₹ 13.07 Million related to trade receivable

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

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

38 RELATED PARTY DISCLOSURES (CONTD.)

(III) Significant Related Party Transactions are as under:

₹ in Million

Nature of transactions	Name of Party	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of goods	Mavag AG	14.26	0.39
	Pfaudler GmbH, Germany	4.97	4.94
	Oerlikon Textile India Pvt.Ltd	7.57	3.27
	Pfaudler S.r.l., Italy	1.64	1.61
Sale of goods	Mavag AG	75.51	44.68
	Pfaudler GmbH	24.27	8.90
	Suzhou Pfaudler Glass Lined Equipment Co. Ltd.	31.34	1.60
	Pfaudler S.r.l., Italy	-	18.26
Services received	Ready Mix Concrete Ltd.	0.48	0.48
	Mavag AG	-	8.52
	Pfaudler Inc	1.11	-
Lease rent paid	Ready Mix Concrete Ltd.	33.19	29.39
Royalty	Pfaudler Inc.	17.81	15.48
Remuneration paid	Mr. Ashok Pillai	9.45	8.25
	Mr. Tarak Patel	19.10	16.82
	Mr. Jugal Sahu	7.21	6.44
Dividend paid	Pfaudler Inc	29.49	22.12
	Mr. Ashok Patel	0.03	1.49
Repayment of Loan	Mr. Ashok Pillai	2.94	2.40
Balances outstanding as on March 31, 2018			
Payables	Pfaudler S.r.l., Italy	0.94	1.22
	Ready Mix Concrete Ltd.	-	2.00
	Oerlikon Textile India Pvt.Ltd	2.94	1.14
	MAVAG AG	8.22	-
	Pfaudler Inc.	15.94	-
Receivables	Mavag AG	13.07	2.04
	Pfaudler GmbH	23.37	7.38
	Pfaudler S.r.l., Italy	5.89	9.85
Advance Received against order	Pfaudler Ltda, Brazil	-	4.55
Deposit outstanding	Ready Mix Concrete Ltd.	27.73	27.73
	GMM Mavag AG	0.45	2.32
Key Managerial Personal			
Receivable	Mr. Ashok Pillai	1.19	4.13
Payable	Mr. Tarak Patel	9.92	11.00
	Mr. Ashok Pillai	1.14	1.60
	Mr. Jugal Sahu	1.29	0.90

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short-term employee benefits	34.15	30.59
Post-employment benefits	4.51	2.36
Other long-term benefits	0.11	0.11
Termination benefits	-	-
Share-based payment	-	-
Total	**38.77**	**33.06**

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, 2018 (Contd.)

39 SEGMENT REPORTING

(a) Primary Segment reporting by Business Segment

₹ in Million

Particulars	Glasslined Equipment		Heavy Engineering		Proprietary Product		Total	
Year Ended	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue :								
Total External Sales	2,185.99	1,953.65	370.92	469.58	619.82	490.73	3,176.73	2,913.96
Segment Results:								
Profit/(Loss) Before Tax and Interest	429.54	357.62	40.29	67.47	46.47	31.19	516.30	456.28
Unallocated Expense(Net)							68.98	82.36
Add: Interest Income							1.94	12.55
Less: Interest Expense							10.31	8.98
Profit/(Loss) Before Tax							438.95	377.49
Taxes							155.20	116.77
Net Proft after Tax							283.75	260.72
Segment Assets	1,325.80	1,073.54	258.47	242.17	317.87	261.42	1,902.14	1,577.13
Unallocated Assets							996.22	908.79
Total Assets							2,898.36	2,485.92
Segment Liabilities	656.16	497.61	104.67	163.35	214.34	141.16	975.17	802.12
Unallocated Liabilities							65.15	35.78
Total Liabilities							1,040.32	837.90
Capital Expenditure	128.39	66.39	3.40	40.50	16.87	17.43	148.66	124.32
Unallocated Capital Expenditure							69.12	9.58
Depreciation	56.00	54.10	8.36	7.09	13.90	7.48	78.26	68.67
Unallocated Depreciation							4.80	5.16

Notes

1) Considering the nature of the Company's business and operations, as well as based on reviews performed by Chief operating decision maker regarding resource allocation and performance management, the Company has classified Glass lined Equipment, Heavy Engineering and Proprietary Products as reportable segments in accordance with the requirements of Ind AS 108 – " Operating segments".

2) Segment revenue, results, assets and liabilities include amounts that are directly attributable to the respective segments. Amounts not directly attributable have been allocated to the segments on the best judgment of the management in the absence of detailed internal financial reporting system. Expenses not directly allocable to the segments are treated as "Unallocated Expenses"

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

Entity wide Disclosure

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current operating assets:		
India	638.40	503.38
Others	-	-
Total	**638.40**	**503.38**

Geographic information

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Geographic information		
Revenue from external customers		
India	2,898.62	2753.06
Outside India	278.11	160.90
Total revenue per Standalone statement of profit or loss	**3,176.76**	**2,913.96**

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

40 CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Expenditure related to CSR as per section 135 of Companies Act, 2013 read with schedule VII thereof, against the mandatory spend of ` 6.29 million is as follows:

₹ in Million

Sr. No.	Sector / Activity Identified	CSR Project	Location	Implementing Agency	Budget	Amount Spent
1.	Hospital / Rural Healthcare	Contribution for promoting rural healthcare	Karamsad, Gujarat	Charutar Arogya Mandal	2.80	2.80
2.	Skill Development	Contribution to JV Patel ITI School	Karamsad, Gujarat	JV Patel ITI	3.33	3.33
3.	Environment Sustainability	Contribution to Sardar Patel Trust	Karamsad, Gujarat	Sardar Patel Trust	0.64	0.64
4.	Social Awarness	Contribution to Institute of Chemical Technology for Awaaz initative	Karamsad, Gujarat	Institute of Chemical Technology	0.15	0.15
				Total	**6.92**	**6.92**

41 RESEARCH AND DEVELOPMENT EXPENSES

Break-up of research and development expenses included in statement of profit and loss, is as follows :

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Material Cost	1.04	0.22
Employee benefits expenses	8.13	10.02
Other expenses:		
Labour Charges Paid to Subcontractors	1.76	1.78
Depreciation	0.09	0.09
	11.02	**12.11**

42 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013

Loans given

₹ in Million

Sr. No.	Name of the Party	As at March 31, 2018	As at March 31, 2017
1.	Mr. Ashok Pillai	1.19	4.12

Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.)

43 EARNINGS PER SHARE

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a)	Net profit for the year available to equity shareholders (after Tax in Million ₹)	283.75	260.72
b)	Weighted average number of Equity Shares during the year	14,617,500	14,617,500
c)	Face value of Equity Share in ₹	2.00	2.00
d)	Basic and diluted earnings per share (₹)	19.41	17.84

44 PROPOSED DIVIDEND:

"The Board of Directors in their meeting held on May 16, 2018, proposed a final equity dividend of ₹ 1.9 per equity share of ₹ 2.00 each fully paid up for the financial year 2017-18. The aggregate amount of final equity dividend proposed to be distributed is ₹ 27.77 million including dividend distribution tax of ₹ 5.71 million."

45 PREVIOUS YEARS FIGURES HAVE BEEN REGROUPED/RECLASSIFIED WHEREVER NECESSARY TO COMPLY WITH IND AS

46. THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.18 WERE APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON 16.05.18.

As per our report of even date.

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

Kartikeya Raval
Partner

Mumbai, May 16, 2018

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 16, 2018

Mittal Mehta
Company Secretary
FCS 7848

Independent Auditor's Report

To The Members of **GMM PFAUDLER** Limited

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of GMM PFAUDLER Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

OPINION

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 subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

OTHER MATTERS

(a) We did not audit the financial statements of 4 subsidiaries, whose financial statements reflect total assets of ₹ 1150.87 million as at 31st March, 2018, total revenues of Rs. 1046.21 million and net cash inflows amounting to Rs. 272.42 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports

Independent Auditor's Report (Contd.)

have been furnished to us by the Management and our opinion on the consolidated Ind AS 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 sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS 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 other auditors.

(b) The comparative financial statements for the year ended 31st March 2017 in respect of 4 subsidiaries and the related transition date opening balance sheet as at 1st April 2016 prepared in accordance with the Ind AS and included in these consolidated Ind AS financial statements have been audited by other auditors, whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of these subsidiaries made in these consolidated Ind AS financial statements, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters on the comparative financial Statements.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements referred in the Other Matters paragraph 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 Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and 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 Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

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

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Mumbai
Date: May 16, 2018

Annexure "A"

To The Independent Auditor's Report

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of GMM Pfaudler Limited (hereinafter referred to as Parent) and its subsidiary companies which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Parent, and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure "A"
To The Independent Auditor's Report (Contd.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Mumbai
Date: May 16, 2018

GMM Pfaudler
Defining the standard

Consolidated Balance Sheet
as at March 31, 2018

₹ in Million

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
(1) Non-current assets				
(a) Property, Plant & Equipment	6	571.35	473.81	384.95
(b) Capital work-in-progress		27.60	19.95	43.15
(c) Goodwill on consolidation		121.31	114.72	121.43
(d) Other Intangible Assets	7	15.73	23.01	27.08
(e) Intangible assets under development		40.22	-	-
(f) Financial Assets				
(i) Investments	8	8.75	8.96	17.12
(ii) Loans	9	-	1.19	-
(iii) Others	10	12.77	8.00	23.26
(g) Deferred Tax Assets (net)	17	2.22	-	-
(h) Non-current Tax Assets (net)	21	-	-	5.00
(i) Other non-current assets	11	5.41	3.72	6.19
Sub-total		**805.36**	**653.36**	**628.18**
(2) Current Assets				
(a) Inventories	12	956.41	822.47	708.57
(b) Financial Assets				
(i) Investments	8	496.92	450.64	159.69
(ii) Trade Receivables	13	505.29	699.04	486.79
(iii) Cash & Cash Equivalents	14	665.66	311.03	363.48
(iv) Bank balances other than (iii) above	14	2.23	5.46	172.78
(v) Loans	9	2.73	94.23	10.04
(vi) Others	10	410.98	101.67	14.87
(c) Other current assets	11	77.69	46.33	30.77
Sub-total		**3,117.91**	**2,530.87**	**1,946.99**
Total Assets		**3,923.27**	**3,184.23**	**2,575.17**
EQUITY & LIABILITIES				
Equity				
(a) Equity Share Capital	15	29.23	29.23	29.23
(b) Other Equity	16	2,248.27	1,908.95	1,663.99
Sub-total		**2,277.50**	**1,938.18**	**1,693.22**
LIABILITIES				
(1) Non-current liabilities				
(a) Deferred tax liabilities (Net)	17	47.45	26.57	47.56
(b) Provisions	20	125.74	81.68	-
Sub-total		**173.19**	**108.25**	**47.56**
(2) Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	18	608.45	546.06	306.85
(ii) Others	19	95.64	79.22	52.79
(b) Provisions	20	29.14	19.80	25.41
(c) Current tax liabilities (net)	21	10.73	5.36	-
(d) Other current liabilities	22	728.62	487.36	449.34
Sub-total		**1,472.58**	**1,137.80**	**834.39**
Total Equity & Liabilities		**3,923.27**	**3,184.23**	**2,575.17**
Summary of Significant Accounting Policies	4			

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

As per our report of even date.

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

Kartikeya Raval
Partner

Mumbai, May 16, 2018

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251

Mittal Mehta
Company Secretary
FCS 7848

Mumbai, May 16, 2018

Consolidated Statement of Profit and Loss
for the year ended March 31, 2018

₹ in Million

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
Income:			
Revenue from Operations	23	4,109.62	3,781.19
Other Income	24	93.94	56.88
Total Income		**4,203.56**	**3,838.07**
Expenses:			
Cost of materials consumed	25	1,790.56	1,519.16
Changes in inventories of finished goods and work in progress	26	(105.27)	(25.83)
Excise duty on sale of goods		52.63	250.89
Employee benefits expense	27	635.15	663.29
Finance cost	28	10.31	9.01
Depreciation and amortisation expense	6&7	97.89	82.34
Labour Charges		383.71	305.64
Other expenses	29	732.07	592.97
Total Expense		**3,597.05**	**3,397.47**
Profit before tax		**606.51**	**440.60**
Tax expenses:			
Current tax		154.62	150.27
Deferred tax		25.13	(20.89)
		179.75	**129.38**
Profit for the year		**426.76**	**311.22**
Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss			
Actuarial Gain / (Loss) on Gratuity and Pension obligations		(43.53)	2.34
(ii) Income tax relating to items that will not be reclassified to profit or loss		6.43	-
(B) (i) Items that may be reclassified to profit or loss			
Exchange difference in translating the financial statements of foreign components		19.99	(14.93)
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Other Comprehensive Income (A (i-ii) + B (i))		**(17.11)**	**(12.59)**
Total Comprehensive Income for the year		**409.65**	**298.63**
Earnings Per Equity Share:			
Basic		29.20	21.29
Diluted		29.20	21.29
Significant Accounting Policies	4		

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

As per our report of even date.

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

Kartikeya Raval
Partner

Mumbai, May 16, 2018

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251

Mittal Mehta
Company Secretary
FCS 7848

Mumbai, May 16, 2018

GMM Pfaudler
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Consolidated Statement of Cash Flow
for the year ended March 31, 2018

₹ in Million

		Year ended March 31, 2018	Year ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**606.51**	**440.60**
Adjustments for			
Depreciation		97.89	82.34
Net (gain) / loss on sale & discard of fixed assets		(2.23)	(0.87)
Net (gain) / loss on sale of Current Investment		(3.35)	(43.43)
Net (gain) / loss on sale of Non-Current Investment		0.02	(10.75)
Net (gain) / loss on Current Investments designated as Fair Value Through Profit or Loss		(25.34)	18.65
Net (gain) / loss on Non Current Investments designated as Fair Value Through Profit or Loss		0.20	7.65
Interest income		(10.41)	(16.14)
Interest and financial charges		10.31	9.01
Dividend Income		-	(0.10)
Provision for doubtful debts, liquidated damages and advances		(3.45)	12.10
Provision for Warranty		0.90	0.85
Unrealised foreign exchange fluctuation loss/(gain)		13.40	(8.22)
Acturial Gain / (loss) on Gratuity reclassified in OCI		(43.53)	2.34
Operating profit before working capital changes		**640.92**	**494.03**
Adjustments for :			
(Increase)/ Decrease in Inventories		(133.94)	(113.90)
(Increase)/ Decrease in Trade receivable,Short term loan & advances and other assets		(52.94)	(394.36)
Increase/ (Decrease) in Trade payables,other current liabilities & Provisions		372.57	378.74
Cash generated from operations		826.61	364.51
Direct Taxes paid		(149.25)	(139.91)
Net cash from operating activities	A	**677.36**	**224.60**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment,including intangible assets		(238.72)	(144.35)
Proceeds from sale of property, plant and equipment		4.88	1.31
Purchase of current investments		(58.03)	(522.52)
Proceeds from sale of current investments		40.44	256.34
Proceeds from sale of Non-current investments		-	11.27
Fixed deposits maturity proceeds from banks		3.30	170.50
Fixed deposits placed with banks		(4.30)	(3.30)
Interest received		10.41	16.14
Dividend received		-	0.10
Net cash used in investing activities	B	**(242.02)**	**(214.51)**

Consolidated Statement of Cash Flow for the year ended March 31, 2018 (Contd.)

₹ in Million

		Year ended March 31, 2018	Year ended March 31, 2017
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Short term Borrowing		45.12	-
Repayment of Short term Borrowing		(45.12)	-
Interest paid		(10.31)	(9.01)
Dividend paid		(58.53)	(43.72)
Tax on distributed profits		(11.87)	(9.81)
Net cash used in financing activities	C	**(80.71)**	**(62.54)**
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	A+B+C	**354.63**	**(52.45)**
Cash and Cash equivalents, beginning of the year		311.03	363.48
Effect of Exchange Rate Changes [(Gain)/Loss]		-	-
Cash and Cash equivalents, end of the year		**665.66**	**311.03**
COMPONENTS OF CASH AND CASH EQUIVALENTS			
Cash and Cash Equivalent			
Balances with banks			
- In current accounts		570.01	310.34
- In deposit accounts (Less than three months maturity)		90.67	-
Cash on hand		4.98	0.69
Total		**665.66**	**311.03**
Other Bank Balances			
- In unpaid dividend accounts		2.23	2.16
- Deposit account with Maturity grater than three months but less than one year		-	3.30
Cash and Bank Balances at the end of the year		**667.89**	**316.49**

The company has been sanctioned credit facilities for working capital of ₹ 200 million, of which facilities utilised as on March 31, 2018 were ₹ Nil

Cash flow has been Prepared as Per Indirect Method of Ind AS 7

As per our report of even date.

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

Kartikeya Raval
Partner

Mumbai, May 16, 2018

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 16, 2018

Mittal Mehta
Company Secretary
FCS 7848

GMM Pfaudler
Defining the standard

Consolidated Statement of changes in equity
for the year ended March 31, 2018

(I)	Equity Share Capital	Amount (₹ in Million)
	Balance at April 1, 2016	**29.23**
	Movement during the year	-
	Balance at March 31, 2017	29.23
	Movement during the year	-
	Balance at March 31, 2018	**29.23**

(II) Other Equity :

₹ in Million

	Capital Reserve	Securities Premium Reserve	General Reserve	Cash Subsidy Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total
Balance at April 1, 2016	**0.02**	**149.28**	**231.02**	**0.69**	**1,133.42**	**149.56**	**1,663.99**
Profit for the year	-	-	-	-	311.22	-	311.22
Other comprehensive income for the year, net of income tax	-	-	-	-	2.34	(14.93)	(12.59)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**313.56**	**(14.93)**	**298.63**
Payment of dividends	-	-	-	-	(43.86)	-	(43.86)
Taxes on dividend	-	-	-	-	(9.81)	-	(9.81)
Balance at March 31, 2017	**0.02**	**149.28**	**231.02**	**0.69**	**1,393.31**	**134.63**	**1,908.95**
Balance at April 1, 2017	**0.02**	**149.28**	**231.02**	**0.69**	**1,393.31**	**134.63**	**1,908.95**
Profit for the year	-	-	-	-	426.76	-	426.76
Other comprehensive income for the year, net of income tax	-	-	-	-	(37.10)	19.99	(17.11)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**389.66**	**19.99**	**409.65**
Payment of dividends	-	-	-	-	(58.47)	-	(58.47)
Taxes on dividend	-	-	-	-	(11.86)	-	(11.86)
Balance at March 31, 2018	**0.02**	**149.28**	**231.02**	**0.69**	**1,712.64**	**154.62**	**2,248.27**

As per our report of even date.

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

Kartikeya Raval
Partner

Mumbai, May 16, 2018

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 16, 2018

Mittal Mehta
Company Secretary
FCS 7848

Notes

to Consolidated Financial Statements for the year ended March 31, 2018

1 GROUP INFORMATION

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

The consolidated financial statements comprises the financial statements of the Parent Company GMM Pfaudler Limited and its subsidiary companies (together referred to as "Group").

The subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of Company	Country of Incorporation	% of Holding	
			Current Year	Previous Year
1	Karamsad Investments Ltd.	India	100%	100%
2	Karamsad Holdings Ltd.	India	100%	100%
3	GMM Mavag AG	Switzerland	100%	100%
4	Mavag AG (subsidiary of GMM Mavag AG)	Switzerland	100%	100%

The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the holding company i.e year ended March 31, 2018.

2 STATEMENT OF COMPLIANCE

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These consolidated financial statements are the first financial statements of the Group under Ind AS. The date of transition to Ind AS is April 1, 2016. Refer Note 5 for the details of significant exemptions availed by the Group on first-time adoption of Ind AS and for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

3 BASIS OF PREPERATION OF CONSOLIDATED FINANCIAL STATEMENTS

a) Basis of preparation

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

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

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

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

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

The accounting policies have been consistently applied by the Group. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the parent company's separate financial statements.

b) Functional and Presentation Currency

The consolidated financial statements are presented in Indian Rupees, which is the functional currency of the Parent Company. All the amounts are stated in the nearest rupee millions.

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 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 and residual value of property, plant and equipment (refer note no. 4.c1)

   Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

2. Impairment of financial assets (refer note no. 4.g7)

   The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3. Impairment of non-financial assets (refer note no. 4.d / 4.f)

   Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

4. Employee benefits (refer note no. 4.j) The cost of the defined benefit and long term employee benefit plans and the present value of the related obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation, a defined benefit and long term employee benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

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.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

c1) Depreciation and Amortisation useful life of Property, Plant & Equipment and Intangible Assets:

Depreciation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible assets has been provided on the straight-line method as per the useful life prescribed in Schedule II of the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Name Of Assets	Useful life
A) Burning Scaffold and Pilot Plant (included under Plant & Machinery)	3 years
B) Telephones (included under Office Equipment)	3 years
C) Vehicles	6 years

Items costing less than ₹ 5000/- are fully depreciated in the year of put to use/purchase.

Leasehold improvements are amortized equally over the period of lease.

Amortisation:

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Name Of Assets	Useful life
A) Computer Software	3-6 years
B) Technical Knowhow	3 years

d) Asset Impairment

The Group assesses at each reporting date using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

e) Foreign Exchange Transactions and Translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognized as income or expense of the period in which they arise. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing rate. The resultant exchange rate differences are recognized in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction.

Foreign Operations

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

f) Inventories

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

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

g) Financial Instruments

g1) Investments

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

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

g2) Trade Receivables

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognized at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

g3) Cash & Cash Equivalents

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

Trade Payables

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

g5) Other financial assets and liabilities

Other non-derivative financial instruments are initially recognized at fair value and subsequently measured at amortized costs using the effective interest method.

g6) De-recognition of financial assets and liabilities

The Group derecognizes a financial asset when the contractual right to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction when substantially all the risk and rewards of ownership of the financial asset are transferred. If the Group retains substantially all the risk and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired; the difference between the carrying amount of derecognized financial liability and the consideration paid is recognized as profit or loss.

g7) Impairment of financial assets

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

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

h) Revenue Recognition

Sale of Goods / Service:

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

a) When the significant risks and rewards of ownership of the goods has transferred to the customer based on the agreed contractual terms;

b) The amount of revenue can be measured reliably;

c) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods; and

d) The costs incurred or to be incurred in respect of the transaction can be measured reliably

Revenue for construction contracts:

The "Percentage of Completion Method" of accounting of revenue is followed for fixed price contracts that meet the following criteria:

a) Total contract revenue can be measured reliably;

b) It is probable that the economic benefits associated with the contract will flow to group;

c) Both the contract costs to complete the contract and the stage of contract completion at the end of the reporting period can be measured reliably; and

d) The contract costs attributable to the contract can be clearly identified and measured reliably.

Other Income:

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

Interest income is recognized on accural basis.

i) Product Warranty Expenses

Provision is made in the consolidated financial statements for the estimated liability on account of costs that may be incurred on products sold under warranty. The estimates for the costs to be incurred for providing free service under warranty are determined based on historical information, past experience, average cost of warranty claims that are provided for in the year of sale.

j) Employee Benefits

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

Defined contribution plans

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

Defined benefit plans

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

Defined benefit costs are categorised as follows:

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

The Group presents the first two components of defined benefit costs in Statement of Profit & Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

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.

k) Operating Expenses

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

l) Leases

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

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

m) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the 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 consolidated financial statements. Contingent assets are not recognised The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the holding company i.e year ended March 31, 2018 in the consolidated financial statements.

n) Taxation

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured using

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Any deferred tax asset or liability arising from deductible or taxable temporary differences in respect of unrealized intercompany profit or loss on inventories held by the Group in different tax jurisdictions is recognised using the tax rate of jurisdiction in which such inventories are held.

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

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income Tax Act regulation are recognized in statement of changes in equity as part of associated dividend payment.

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

o) Segment Reporting

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

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

p) Earnings Per Share:

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

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

q) Operating Cycle:

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

r) Research and development expenses:

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

s) **Cash flow statement:**

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

5 FIRST-TIME ADOPTION – MANDATORY EXCEPTIONS AND OPTIONAL EXEMPTIONS

Overall principle

The Group has prepared the opening standalone balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

Deemed cost for property, plant and equipment and intangible assets

The Group has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

First-time Ind AS adoption reconciliation

5(i) Effect of Ind AS adoption on the Consolidated Balance Sheet as at March 31, 2017 and April 1, 2016

₹ in Million

		AS at 31/03/2017 (End of last period presented under previous GAAP)			As at 01/04/2016 (Date of Transition)		
	Note	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
ASSETS							
Non-current assets							
(a) Property, Plant & Equipment	5(v)(g)	474.45	(0.64)	473.81	385.60	(0.65)	384.95
(b) Capital work-in-progress		19.95	-	19.95	43.15	-	43.15
(c) Goodwill		114.72	-	114.72	121.43	-	121.43
(d) Other Intangible Assets		23.01	-	23.01	27.08	-	27.08
(e) Intangible assets under development		-	-	-	-	-	
(f) Financial Assets		-					
(i) Investments	5(v)(a)	6.30	2.66	8.96	6.82	10.30	17.12
(ii) Loans		1.19	-	1.19	-	-	
(iii) Others	5(v)(b)	28.11	(20.11)	8.00	44.09	(20.83)	23.26
(g) Deffered Tax Assets (Net)		-	-	-	-	-	
(h) Non current Tax Assets (Net)		-	-	-	5.00	-	5.00
(i) Other assets		3.72	-	3.72	6.19	-	6.19
Total non-current assets		**671.45**	**(18.09)**	**653.36**	**639.36**	**(11.18)**	**628.18**
Current Assets							
(a) Inventories		822.47	-	822.47	708.57	-	708.57
(b) Financial Assets							
(i) Investments	5(v)(a)	439.99	10.65	450.64	130.38	29.31	159.69
(ii) Trade Receivables		699.04	-	699.04	486.79	-	486.79
(iii) Cash & Cash Equivalents		311.03	-	311.03	363.48	-	363.48
(iv) Bank balances other than (iii) above		5.46	-	5.46	172.78	-	172.78
(v) Loans		94.23	-	94.23	10.04	-	10.04
(vi) Others		101.67	-	101.67	14.87	-	14.87
(c) Other current assets	5(v)(g)	45.69	0.64	46.33	30.12	0.65	30.77
Total current assets		**2,519.58**	**11.29**	**2,530.87**	**1,917.03**	**29.96**	**1,946.99**
Total assets		**3,191.03**	**(6.80)**	**3,184.23**	**2,556.39**	**18.78**	**2,575.17**
EQUITY & LIABILITIES							
Equity							
(a) Equity Share Capital		29.23	-	29.23	29.23	-	29.23
(b) Other Equity		1,919.01	(10.06)	1,908.95	1,639.10	24.89	1,663.99
Total equity (shareholders' funds under previous GAAP)		**1,948.24**	**(10.06)**	**1,938.18**	**1,668.33**	**24.89**	**1,693.22**
LIABILITIES							
Non-current liabilities							
(a) Deferred tax liabilities (Net)	5(v)(h)(i)	23.31	3.26	26.57	37.83	9.73	47.56
(b) Provisions		81.68	-	81.68	-	-	
Total non-current liabilities		**104.99**	**3.26**	**108.25**	**37.83**	**9.73**	**47.56**
Current liabilities							
(a) Financial Liabilities							
(i) Trade payables		546.06	-	546.06	306.85	-	306.85
(ii) Others		79.22	-	79.22	52.79	-	52.79
(b) Provisions		19.80	-	19.80	41.25	(15.84)	25.41
(c) Current tax liabilities (net)		5.36	-	5.36	-	-	
(d) Other current liabilities		487.36	-	487.36	449.34	-	449.34
Total current liabilities		**1,137.80**	**-**	**1,137.80**	**850.23**	**(15.84)**	**834.39**
Total liabilities		**1,242.79**	**3.26**	**1,246.05**	**888.06**	**(6.11)**	**881.95**
Total Equity & Liabilities		**3,191.03**	**(6.80)**	**3,184.23**	**2,556.39**	**18.78**	**2,575.17**

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

First-time Ind AS adoption reconciliation

5(ii) Effect of Ind AS adoption on the Consolidated Statement of Profit and Loss for the year ended March 31, 2017

₹ in Million

	Notes	Year ended 31/03/2017 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of Transition to Ind AS	Ind AS
Revenue from Operations	5(v)(c)	3,530.30	250.89	3,781.19
Other income	5(v)(4)/(b)	82.48	(25.60)	56.88
Total Income (A)		**3,612.78**	**225.29**	**3,838.07**
Expenses				
Cost of materials consumed		1,519.16	-	1,519.16
Changes in inventories of finished goods, stock-in-trade and work in progress		(25.83)	-	(25.83)
Excise Duty on sale of goods	5(v)(e)	-	250.89	250.89
Employee benefits expense	5(v)(d)	660.95	2.34	663.29
Finance costs		9.01	-	9.01
Depreciation and amortisation expense		82.34	-	82.34
Labour Charges		305.64	-	305.64
Other expenses		592.97	-	592.97
Total expenses (B)		**3,144.24**	**253.23**	**3,397.47**
Profit before tax		**468.54**	**(27.94)**	**440.60**
Tax expense				
(1) Current tax		150.27	-	150.27
(2) Deferred tax	5(v)(h)/(i)	(14.41)	(6.48)	(20.89)
Profit for the period		**332.68**	**(21.46)**	**311.22**
Other Comprehensive Income				
(A) (i) Items that will not be reclassified to profit or loss				
Acturial Gain on Gratuity	5(v)(d)	-	2.34	2.34
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
(B) (i) Items that may be reclassified to profit or loss				
Exchange difference in translating the financial statements of foreign components	5(v)(f)	-	(14.93)	(14.93)
B (ii) Income tax relating to items that may be reclassified to profit or loss		-	-	-
Total other comprehensive income (A (i-ii)+B(i-ii))		**-**	**(12.59)**	**(12.59)**
Total comprehensive income for the period		**332.68**	**(34.05)**	**298.63**

First-time Ind AS adoption reconciliation

5(iii) Reconciliation of Consolidated Total Equity as at March 31, 2017 and April 1, 2016

₹ in Million

	Notes	AS at 31/03/2017 (End of last period presented under previous GAAP)	As at 01/04/2016 (Date of Transition)
Total equity (shareholders' funds under previous GAAP)		**1,948.24**	**1,668.33**
Effect of measuring investment at fair value through profit and loss (Gross)	5(v)(a)	13.31	39.61
Deferred tax adjustment on fair valuation	5(v)(h)	(3.69)	(10.14)
Fair Valuation of interest free security deposit given	5(v)(b)	(20.83)	(20.83)
Notional Interest Income on interest free security deposit given	5(v)(b)	0.72	-
Provision for Proposed Dividend reversed	5(v)(c)	-	15.84
Deferred tax adjustment on unreaslised profit on inventory	5(v)(i)	0.42	0.41
Total Adjustments to equity		**(10.06)**	**24.89**
Total Equity under IndAS		**1,938.18**	**1,693.22**

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

First-time Ind AS adoption reconciliation

5(iv) Reconciliation of Consolidated Total comprehensive Income for the year ended March 31, 2017

₹ in Million

	Notes	Year ended 31/03/2017 (Latest period presented under previous GAAP)
Profit as per previous GAAP		332.68
Adjustments:		
Effect of measuring investment at fair value through profit and loss	5(v)(a)	25.62
Reversal of MTM Gain of fair valuation of Investments on its actual sales	5(v)(a)	(51.92)
Interest Income due to fair valuation of interest free security deposit given	5(v)(b)	0.70
Reclassification of Actuarial (Gain) / Loss on employee defined benefit plan recognized to Other Comprehensive Income	5(v)(d)	(2.34)
Deferred tax adjustment on fair valuation of assets	5(v)(h)	6.46
Deferred tax adjustment on unreaslised profit on inventory	5(v)(i)	0.02
Total effect of Transition to Ind AS		**(21.46)**
Profit for the year as per Ind AS		**311.22**
Other comprehensive Income for the Year (net of Tax)		
Actuarial Gain in relation to Gratuity	5(v)(d)	2.34
Exchange difference in translating the financial statements of foreign components	5(v)(f)	(14.93)
Total comprehensive Income under Ind AS		**298.63**

5(v) Notes to the Reconciliations

a) **Fair Valuation of Investments:** The group has fair valued all the Investments in Mutual Funds and Equity Shares on the date of transition and the gain or loss on the same has been adjusted in the Retained Earning. Going forward, the group intends to classify these investments as Fair Value through Profit and Loss (FVTPL) and gain or loss will be adjusted in the Statement of Profit and Loss.

b) **Fair Valuation of Interest Free Deposit:** The group has given an interest free lease deposit to M/s Ready Mix concrete limited. On the transition date, group has fair valued the same by discounting the deposit with the interest free discount rate and the difference between fair value and previous IGAAP value is recognised in opening reserve. Going forward, the notional interest on deposit at risk free interest rate has been recognised in Statement of Profit and Loss.

c) **Declaration of Dividend:** As per the requirements of IND AS 10, the proposed dividend and tax thereon need to be accounted in the period when it is approved by the share holders. Under previous GAAP (before April 1, 2016) the proposed dividend was accounted in the period in which it was proposed by the board of directors. Accordingly, In opening Balance sheet, Proposed dividend is added back to reserves by reducing the provision balance.

d) **Actuarial gain or losses regrouping:** In Accordance with IND AS 19, the actuarial gain / loss in relation to Defined Benefit Plan (Gratuity & Pension Fund) is regrouped under Other Comprehensive Income instead of Statement of Profit and Loss as per previous IGAAP.

e) **Excise Duty Grossup:** As per Schedule III to Companies Act, 2013 (as applicable to companies following IND AS) , the excise duty needs to be grossed up in revenue and separately shown as an expense item. As per the above requirement the excise duty has been grossed up and shown separately on the face of the Statement of Profit and Loss.

f) **Exchange difference in translating the financials of foreign components:** As per Schedule III to Companies Act, 2013 (as applicable to companies following IND AS) , the exchange difference in translating the financials of foreign components needs to be recognised in other comprehensive income.

As per the above requirement the exchange difference has been shown separately in other comprehensive income.

g) **Reclassification of prepaid amount on Leasehold Land:** On the date of transition, the group has reclassified the amount prepaid on Lease Hold land from Tangible Assets to Prepayments. The group will amortize the reclassified amount from Prepayments.

h) **Implication of Tax Expense:** The impact of deferred tax has been considered for all the Ind AS adjustments recorded and where there are temporary differences, the deferred tax related to same has been adjusted in the Tax Expense of that period.

i) **Deferred Tax adjustment on unrealised profit on inventory:** On the date of tranistion, the group has recognised the deferred tax on unreaslised profit on opening inventory considering the same as timing difference in value of Inventory. Going forward, at every balancesheet date, Group will create deferred tax on unreaslied profit involved in the value of closing Inventory.

Cash Flow Statement

The Transition from Indian GAAP to Ind AS has not had a material impact on the statement of Cash Flows.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

6 PROPERTY, PLANT & EQUIPMENT

₹ in Million

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As on April 1, 2017	Additions	Deductions	As on March 31, 2018	Upto April 1, 2017	For the Year	On Deductions	Upto March 31, 2018	As on March 31, 2018
Freehold Land	2.32	-	-	2.32	-	-	-	-	2.32
Leasehold Improvement	18.02	1.88	-	19.90	1.37	1.41	-	2.78	17.12
Buildings	206.95	13.04	-	219.99	6.71	7.88	-	14.59	205.40
Plant & machineries	247.63	124.22	0.92	370.93	45.32	57.83	0.90	102.25	268.68
Office Equipment	20.76	9.38	0.22	29.92	5.20	6.96	0.19	11.97	17.95
Furniture & Fixtures	11.27	1.17	-	12.44	2.35	2.95	-	5.30	7.14
Vehicles	38.40	39.03	5.40	72.03	10.59	11.52	2.82	19.29	52.74
Total	**545.35**	**188.72**	**6.54**	**727.53**	**71.54**	**88.55**	**3.91**	**156.18**	**571.35**

₹ in Million

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As on April 1, 2016	Additions	Deductions	As on March 31, 2017	Upto April 1, 2016	For the Year	On Deductions	Upto March 31, 2017	As on March 31, 2017
Freehold Land	2.32	-	-	2.32	-	-	-	-	2.32
Leasehold Improvement	18.02	-	-	18.02	-	1.37	-	1.37	16.65
Buildings	147.18	59.77	-	206.95	-	6.71	-	6.71	200.24
Plant & machineries	164.05	83.59	0.01	247.63	-	45.33	0.01	45.32	202.31
Office Equipment	9.93	10.90	0.07	20.76	-	5.24	0.04	5.20	15.56
Furniture & Fixtures	10.46	0.81	-	11.27	-	2.35	-	2.35	8.92
Vehicles	32.99	5.90	0.49	38.40	-	10.65	0.06	10.59	27.81
Total	**384.95**	**160.97**	**0.57**	**545.35**	**-**	**71.65**	**0.11**	**71.54**	**473.81**

7 INTANGIBLE ASSETS

₹ in Million

CLASS OF ASSETS	GROSS BLOCK				AMORTISATION				NET BLOCK
	As on April 1, 2017	Additions	Deductions	As on March 31, 2018	Upto April 1, 2017	For the Year	On Deductions	Upto March 31, 2018	As on March 31, 2018
Computer Software	32.68	2.05	-	34.73	9.66	9.34	-	19.00	15.73
Technical Knowhow	1.03	-	-	1.03	1.03	-	-	1.03	-
Total	**33.71**	**2.05**	**-**	**35.76**	**10.69**	**9.34**	**-**	**20.03**	**15.73**

₹ in Million

CLASS OF ASSETS	GROSS BLOCK				AMORTISATION				NET BLOCK
	As on April 1, 2016	Additions	Deductions	As on March 31, 2017	Upto April 1, 2016	For the Year	On Deductions	Upto March 31, 2017	As on March 31, 2017
Computer Software	26.05	6.62	-	32.67	-	9.66	-	9.66	23.01
Technical Knowhow	1.03	-	-	1.03	-	1.03	-	1.03	-
Total	**27.08**	**6.62**	**-**	**33.70**	**-**	**10.69**	**-**	**10.69**	**23.01**

Notes:

a) There are no adjustment to fixed assets on account of borrowing cost and exchange differences during the year.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

Depreciation and amortisation expense

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of Property, plant and equipment	88.55	71.65
Amortisation of intangible assets	9.34	10.69
Total depreciation and amortisation expense	**97.89**	**82.34**

8 INVESTMENTS

(i) Non Current

₹ in Million

	Face value	Qty As at March 31, 2018	Amount As at March 31, 2018	Qty As at March 31, 2017	Amount As at March 31, 2017	Qty As at April 1, 2016	Amount As at April 1, 2016
Shares in Co-operative Societies (unquoted) (at Fair Value)							
Karamsad Urban Co-op. Bank Ltd.	10.00	-	-	-	-	1,200.00	-
Charotar Gas Sahakari Mandli Ltd	500.00	10.00	0.01	10.00	0.01	10.00	0.01
			0.01		0.01		0.01
Other Investments							
Equity Shares (quoted) (at Fair Value)							
Abbott India Ltd.	10.00		-	-	-	100.00	0.47
BASF India Ltd.	10.00		-	-	-	276.00	0.24
Bayer Cropscience Ltd	10.00		-	-	-	50.00	0.19
Clarint Chemical India	10.00		-	-	-	50.00	0.03
Dharamshi Morarji Chemicals Co. Ltd.	10.00		-	-	-	100.00	0.01
Excel Crop Care Ltd.	5.00		-	-	-	112.00	0.13
Excel Industries Ltd.	5.00		-	-	-	112.00	0.03
Futura Polyster Ltd	10.00	100.00	-	100.00	-	100.00	-
Glaxo Smithkline Pharmaceuticals Ltd.	10.00		-	-	-	122.00	0.46
GHCL	10.00	100.00	0.03	100.00	0.03	100.00	0.01
Hico Products Ltd.	10.00		-	-	-	625.00	-
IDI Ltd	10.00		-	66.00	-	66.00	-
Innovssynth Investments Ltd (As per arrangement with Futura)	10.00		-	-	-	45.00	-
Kansai Nerolac Paints Ltd.	1.00		-	-	-	6,660.00	1.87
Nestle India Ltd.	10.00		-	-	-	93.00	0.52
Novartis (India) Ltd.	5.00		-	-	-	70.00	0.05
Piramal Enteprise Ltd	2.00		-	-	-	399.00	0.42

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

₹ in Million

	Face value	Qty As at March 31, 2018	Amount As at March 31, 2018	Qty As at March 31, 2017	Amount As at March 31, 2017	Qty As at April 1, 2016	Amount As at April 1, 2016
Piramal phytocare Ltd. (formerly Piramal Life Sciences Ltd)	10.00		-	-	-	39.00	-
Piramal Glass Ltd	10.00		-	-	-	19.00	-
Peninsula Land Ltd.	2.00		-	-	-	1,040.00	0.02
Pfizer Ltd.	10.00		-	-	-	170.00	0.30
Skyline Millars Ltd	1.00	1,406,000.00	3.94	1,406,000.00	4.05	1,406,000.00	4.09
Shubh Shanti Services Ltd.	10.00		-	25.00	-	25.00	-
Tata Chemicals Ltd.	10.00		-	-	-	161.00	0.06
United Phosphorus Ltd	2.00		-	-	-	7,500.00	3.50
			3.97		4.08		12.40
Government Securities (quoted) (at Fair Value)							
Indian Railway Finanace Corp. Bonds	1,000.00	4,350.00	4.77	4,350.00	4.87	4,350.00	4.71
Total Investments			**8.75**		**8.96**		**17.12**
Aggregate amount of quoted investments			8.74		8.95		17.11
Aggregate amount of unquoted investments			0.01		0.01		0.01

(ii) Current

₹ in Million

	Face value	No. of Units As at March 31, 2018	Amount As at March 31, 2018	No. of Units As at March 31, 2017	Amount As at March 31, 2017	No. of Units As at April 1, 2016	Amount As at April 1, 2016
In Units of mutual Funds, (Unquoted) (at Fair Value)							
IDFC SSIF Medium Term Plan A - Growth	10.00		-	-		1,379,698.00	34.96
Reliance Dynamic Bond Fund - Growth	10.00		-	1,776,286.64	39.72	632,585.94	12.69
Birla Sun Life Govt. Securities long term - Growth	10.00		-	-	-	606,632.01	26.74
Reliance Short Term Fund - Growth	10.00		-	-	-	1,387,389.03	39.23
HDFC High Interest Fund Dynamic Plan-Growth	10.00		-	-	-	283,305.90	14.45
ICICI Prud.In.Regular Plan - Growth	10.00		-	-	-	210,936.40	9.79
HDFC Corporate Debt Opportunities Fund - Regular - Growth	10.00	3,724,744.26	53.68	875,350.00	11.87	875,350.00	10.74
Birla Sun Life Corporate Bond Fund - Regular - Growth	10.00	6,033,446.93	78.08	6,033,446.93	72.18	986,329.47	10.70

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

₹ in Million

	Face value	No. of Units As at March 31, 2018	Amount As at March 31, 2018	No. of Units As at March 31, 2017	Amount As at March 31, 2017	No. of Units As at April 1, 2016	Amount As at April 1, 2016
Birla Sun Life Cash Manager - Growth	10.00	2,910.70	1.21	2,910.70	1.14	1,072.18	0.39
ICICI Prudential Short term - Growth	10.00	1,369,317.89	49.56	1,369,317.89	46.72	-	-
Tata Short Term Bond Fund - Growth	10.00	1,358,580.63	43.87	1,358,580.63	41.53	-	-
Birla Sun Life Short Term Opportunity fund - Growth	10.00	3,097,541.38	89.38	3,097,541.38	84.05	-	-
HDFC Short Term Plan - Growth	10.00	942,948.47	32.47	942,948.47	30.56	-	-
Reliance Corporate Bond Fund - Growth	10.00	5,777,592.01	80.96	5,777,592.01	76.07	-	-
L&T Income Opportunities Fund - Growth	10.00	2,507,165.24	49.91	2,507,165.24	46.80	-	-
IDFC Money Manager Fund - Treasury Plan	10.00	8,766.67	0.09		-		-
Birla Sun Life Floating Rate Fund STP Growth	10.00	76,633.99	17.71		-		-
			496.92		**450.64**		**159.69**

Category wise classification of investments - as per Ind AS 109

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fianancial assets carried at fair value through profit or loss (FVTPL)			
i) Mandatorily measured at FVTPL (Investment in growth mutual fund)	496.92	450.64	159.69
ii) Designated as at FVTPL (Investment in equity instruments and government securities)	8.75	8.96	17.12
	505.67	**459.60**	**176.81**

9 LOANS

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non Current			
Loans to related party (Refer Note:38)	-	1.19	-
	-	**1.19**	**-**
(ii) Current			
Loans to related party (Refer Note:38)	1.19	92.87	6.08
Loans to employees	1.54	1.36	3.96
	2.73	**94.23**	**10.04**

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

10 OTHER FINANCIAL ASSETS

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non Current			
Security Deposit Including consider doubtful as at 31.03.2018 ₹ 0.69 million, as at 31.03.2017 ₹ 0.69 million, as at 01.04.2016 ₹ 0.69 million [Refer Note : 30]	9.16	8.69	23.95
Less : Provision for doubtful security deposits	(0.69)	(0.69)	(0.69)
	8.47	**8.00**	**23.26**
Fixed deposit with original maturity of more than 12 month	4.30	-	-
	12.77	**8.00**	**23.26**
(ii) Current			
Accured income	0.79	1.59	14.87
Unbilled Revenue	410.19	96.42	-
Leave Encashment Fund	-	3.66	-
Advances to related party	-	-	-
	410.98	**101.67**	**14.87**

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
Contracts in Progress at the end of reporting Period		
1. Contract Revenue Recognised as per Percentage of Complition Method	313.77	96.42
2. Cotract Cost Incurred upto the reporting date	270.00	65.71
3. Recognised Profit (1-2)	**43.77**	**30.71**
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	410.19	96.42
(ii) Amounts due to Customers under construction contracts	-	-
6. Retentions held by customer		
7. Advances received from customers	34.56	14.42

11 OTHER ASSETS

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non Current			
Capital Advances	2.09	0.92	2.80
Balances with indirect tax authorities	3.32	2.80	3.39
	5.41	**3.72**	**6.19**
(ii) Current			
Balances with indirect tax authorities	21.54	10.06	10.20
Prepaid expenses	34.67	22.68	14.40
Advance to suppliers	10.49	11.41	5.28
Advance payment of tax			
Employee Advances	1.71	0.99	0.35
Others	9.28	1.19	0.54
	77.69	**46.33**	**30.77**

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

12 INVENTORIES

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Valued at lower of cost or net realisable value)			
Raw materials (including in transit ₹ 1.88 million)	343.37	318.90	237.80
Work-in-progress	453.28	449.73	415.85
(Including in transit as at 31.03.2017 ₹ 6.39 million and as at 01.04.2016 ₹ 9.06 million)	130.86	29.15	37.20
Stores and spares	28.90	24.69	17.72
	956.41	**822.47**	**708.57**

13 TRADE RECEIVABLES

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured			
Considered good	505.29	699.04	486.79
Considered doubtful	55.97	59.42	47.32
	561.26	**758.46**	**534.11**
Other debts			
Less : Allowance for doubtful debt	55.97	59.42	47.32
	505.29	**699.04**	**486.79**

Movement in the expected credit loss allowance

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Balance at beginning of the year	59.42	47.32
Add: Provision made during the year	6.57	22.05
Less: Provision used during the year	(10.18)	(9.80)
Add/(Less): Exchange difference on restatement of Provision	0.16	(0.15)
Balance at the end of the year	55.97	59.42

14 CASH AND BANK BALANCES

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash and Cash Equivalents			
Balances with banks			
- In current accounts	570.01	310.34	310.56
- In deposit accounts with maturity less than three months	90.67	-	51.83
Cash and stamps on hand	4.98	0.69	1.09
	665.66	**311.03**	**363.48**
Other Bank Balances			
- In deposit accounts with maturity greater than three months but less than twelve month	-	3.30	170.50
- In unpaid dividend accounts - Earmarked balances	2.23	2.16	2.28
	2.23	**5.46**	**172.78**

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

15 EQUITY SHARE CAPITAL

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised			
25,000,000 (PY 25,000,000) Equity shares of ₹ 2/- each	50.00	50.00	50.00
Issued, Subscribed and Paid-up			
14,617,500 (PY 14,617,500) Equity shares of ₹ 2/- each fully paid up	29.23	29.23	29.23
TOTAL	**29.23**	**29.23**	**29.23**

a Reconciliation of equity shares outstanding at the beginning and end of the reporting year

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Equity Shares:			
At the Beginning of the year	29.23	29.23	29.23
Changes in equity share capital during the year	-	-	-
Balance at the end of the year	**29.23**	**29.23**	**29.23**

b Terms/rights attached to equity shares

The group has only one class of equity shares having a par value ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the group, the holders of equity shares will be entitled to receive remaining assets of the group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Pfaudler Inc (Holding Company)	7,372,475	50.44%	7,372,475	50.44%	7,375,217	50.45%
Skyline Millars Limited	1,625,595	11.12%	1,625,595	11.12%	1,625,595	11.12%

d Buyback of Shares, Bonus Shares and Shares issued for Consideration other than cash.

The group has not bought back any shares, neither has it issued bonus shares nor has it issued shares for consideration other than cash in the past five years.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

16 OTHER EQUITY

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Reserve			
Balance at the beginning of the year	0.02	0.02	0.02
Movement during the year	-	-	-
Balance at the end of the year	**0.02**	**0.02**	**0.02**
Cash Subsidy Reserve			
Balance at the beginning of the year	0.69	0.69	0.69
Movement during the year	-	-	-
Balance at the end of the year	**0.69**	**0.69**	**0.69**
Securities Premium Account			
Balance at the beginning of the year	149.28	149.28	149.28
Movement during the year	-	-	-
Balance at the end of the year	**149.28**	**149.28**	**149.28**
Foreign Currency Translation Reserve			
Balance at the beginning of the year	134.63	149.56	133.58
Movement during the year	19.99	(14.93)	15.98
Balance at the end of the year	**154.62**	**134.63**	**149.56**
General Reserve:			
Balance at the beginning of the year	231.02	231.02	229.99
Movement during the year	-	-	1.03
Balance at the end of the year	**231.02**	**231.02**	**231.02**
Surplus in Statement of Profit and loss			
Balance at the beginning of the year	**1,393.31**	**1,133.42**	**977.40**
Add : Net Profit for the year	389.66	313.56	210.19
Less : Appropriations	-		
Interim Dividend [Dividend Per Share ₹ 2.10, (Previous Year ₹ 2.10)]	30.70	30.70	30.70
Final Dividend [Dividend Per Share ₹ 1.90, (Previous Year ₹ 0.90)]	27.77	13.16	13.16
Tax on distributed profits	11.86	9.81	9.28
Transfer to General Reserve	-	-	1.03
Balance at the end of the year	**1,712.64**	**1,393.31**	**1,133.42**
	2,248.27	**1,908.95**	**1,663.99**

Nature and Purpose of Reserves

General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the Statement of Profit & Loss.

Securities Premium Reserve

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

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

17 DEFERRED TAX LIABILITIES

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax assets	(20.06)	(15.55)	(11.66)
Deferred tax liabilities	65.29	42.12	59.22
Net Deferred Tax Liability	**45.23**	**26.57**	**47.56**

The deferred tax liabilities / assets are off-set, where the group has a legally enforceable right to set-off assets against liabilities, and are presented in balance sheet as follows:

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax liabilities	47.45	26.57	47.56
Deferrer Tax assets	2.22	-	-
	45.23	**26.57**	**47.56**

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

₹ in Million

Particulars	2017-18					2016-17				
	Opening Balance	Charged to / (Reversed from) Statement of P & L	Recognised in Other Comprehensive Income	Foreign Exchange Difference	Closing Balance	Opening Balance	Charged to / (Reversed from) Statement of P & L	Recognised in Other Comprehensive Income	Foreign Exchange Difference	Closing Balance
Deferred tax liabilities/ (assets) in relation to:										
Property, Plant and Equipment	38.44	8.48	-		46.92	37.35	1.09	-		38.44
Investments classified as FVTPL	3.68	8.92	-		12.60	10.14	(6.46)	-		3.68
Provision for Doubtful debt	(13.81)	3.64	-		(10.17)	(11.25)	(2.56)	-		(13.81)
Warranty Provision	-	-	-		-	11.73	(11.73)	-		-
Provision for Employee Benefit	(1.29)	-	(6.43)	(0.27)	(7.99)	-	(1.19)	-	(0.10)	(1.29)
Unrealised Profit in Inventory	(0.45)	(1.45)	-		(1.90)	(0.41)	(0.04)	-		(0.45)
Other Temporary differences	-	5.54	-	0.23	5.77	-	-	-		-
	26.57	**25.13**	**(6.43)**	**(0.04)**	**45.23**	**47.56**	**(20.89)**	**-**	**(0.10)**	**26.57**

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

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

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
Profit Before tax from Continuing Operations	**606.51**	**440.60**
Income Tax using the Company's domestic Tax rate #	209.90	152.48
Tax Effect of :		
- Non deductible Expenses	27.40	29.69
- Tax - Exempt income		(3.72)
- Deduction on account of Expenses allowable in Tax but not claimed in book	(34.69)	(29.29)
- Tax impact on Income charged under Capital Gain	(1.70)	(13.29)
- Changes in recognised deductible temporary differences	24.89	(20.69)
- Changes in recognised deductible temporary differences due to change in tax rate	0.24	(0.20)
- Tax impact on notional income / expense	(8.70)	9.66
- Difference between Indian Tax Rate and Foreign Tax Rate	(37.59)	4.74
Income Tax recognised In Statement of P&L from Continuing Operations (Effective Tax Rate)	**179.75**	**129.38**

The Tax rate used for Financial Year 2017-18 and 2016-17, in reconciliation above is the corporate tax rate of 34.608% payable by parent entity in India on taxable profits under the Indian Tax Law

(b) Income Tax Expense

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current Tax:		
Current Income Tax Charge	154.62	150.27
Adjustments in respect of prior years		
Deferred Tax		
Deferred Tax Charge for the year	25.13	-20.89
Total Tax Expense recognised in profit and loss account	**179.75**	**129.38**

18 TRADE PAYABLES

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
- Dues to Micro, Small and Medium Enterprises	18.81	14.78	0.78
- Dues to other Creditors	589.64	531.28	306.07
	608.45	**546.06**	**306.85**

In the absence of any information from vendors regarding the status of their registration under the "Micro Small and Medium Enterprise Development Act 2006" the Company is unable to comply with the disclosures required to be made under the said Act. For the purpose of classifying Trade Payables into Dues to Micro, Small and Medium Enterprises and other creditors, company has relied on the information received in corresponding previous period. This has been relied upon by the Auditors.

19 OTHER FINANCIAL LIABLITIES

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Unclaimed dividend	2.23	2.15	2.28
Payables for Capital Expenditure	27.49	10.96	5.25
Employee benefits payable	65.92	66.11	45.26
	95.64	**79.22**	**52.79**

The amount of Unclaimed Dividend reflects the position as at March 31, 2018. During the year, the group has transferred an amount of ₹ 0.26 Millions (Previous year ₹ 0.31 Millions) to the Investor's 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, 2018 (Contd.)

20 PROVISIONS

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non Current			
Provision for employee benefits (Note (i))	125.74	81.68	
	125.74	**81.68**	**-**
Current			
Provision for employee benefits (Note (i))	9.30	1.12	5.76
Provision for unexpired warranty (Note (ii))	19.84	18.68	19.65
	29.14	**19.80**	**25.41**

Note

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

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

Provision for unexpired warranty

₹ in Million

Particulars	Year ended March 31, 2018
Opening balance	**18.68**
Add: Additional provision made during the year	16.38
Add: Exchange difference on restatement of warranty provision	0.26
Less: Provision amount used during the year	15.48
Closing balance	**19.84**

21 CURRENT TAX LIABILITIES /(NON CURRENT TAX ASSETS)

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Income Tax	468.37	334.19	210.44
Advance payment of Taxes	(457.64)	(328.83)	(215.44)
	10.73	5.36	(5.00)

22 OTHER LIABILITIES

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Advances from customers	719.52	474.45	439.62
Statutory dues payable	9.10	12.91	9.72
Others			
	728.62	**487.36**	**449.34**

23 REVENUE FROM OPERATIONS

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from Sale of Products	4,067.26	3,743.03
Other Operating Revenues	42.36	38.16
Total	**4,109.62**	**3,781.19**

Post implementation of Goods and Service Tax (GST) with effect from July 1, 2017, revenue from operation is disclosed net off GST. Revenue from operations for the year ended March 31, 2018 includes excise duty upto June 30, 2017. Accordingly, revenue from operations for the year ended March 31, 2018 are not comparable to those of previous years presented

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

24 OTHER INCOME

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income (Gross)		
- Non - current investments	0.35	0.35
- Deposits with banks	5.59	10.25
- Others	4.47	5.54
Dividend Income		
- Non-Current Investments (from subsidiary)	-	0.10
- Current Investments		
Net Gain/ (Loss) on Sale of Investments		
- Non-Current Investments	(0.02)	10.75
- Current Investments	3.35	43.43
Net Gain/ (Loss) on Investments Classified as FVTPL		
- Non-Current Investments	(0.20)	(7.65)
- Current Investments	25.34	(18.65)
Other non-operating income		
- Bad Debts Recovered	1.38	0.18
- Reversal of Provision for doubtful debts and advances	10.80	
- Profit on sales of fixed assets	2.23	0.87
- Miscellaneous Income	21.97	10.89
Net gain on foreign exchange translations	18.68	0.82
Total	**93.94**	**56.88**

25 COST OF MATERIALS CONSUMED

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stock of Raw Materials	343.58	255.13
Add: Purchases during the year	1,819.26	1,607.61
	2,162.84	**1,862.74**
Less: Closing stock of Raw Materials	372.28	343.58
Total	**1,790.56**	**1,519.16**

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

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Inventory of finished good at the beginning of the year	29.15	37.20
Inventory of work in progress at the beginning of the year	449.72	415.85
	478.87	**453.05**
Inventory of finished good at the closing of the year	130.86	29.15
Inventory of work in progress at the closing of the year	453.28	449.73
	584.14	**478.88**
	(105.27)	**(25.83)**

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

27 EMPLOYEE BENEFITS EXPENSE

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and Wages	565.97	511.09
Contribution to Provident and Other Funds (Refer Note: 34)	55.87	141.36
Staff Welfare Expenses	13.31	10.84
Total	**635.15**	**663.29**

28 FINANCE COSTS

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Expense	3.97	3.78
Other financial charges	6.34	5.23
Total	**10.31**	**9.01**

29 OTHER EXPENSES

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Power & Fuel	200.83	147.75
Stores & Spares Consumption	124.91	102.94
Repairs to Machinery	43.61	39.11
Repairs to Buildings	6.36	4.49
Repairs- Others	3.51	2.62
Rent (Refer Note: 31)	48.30	46.15
Insurance	11.30	9.54
Rates & Taxes	3.17	3.26
Royalty	17.81	15.48
Travel & Conveyance	46.19	39.35
Communication	6.05	8.69
Bad debts written off	1.93	3.80
Provision for doubtful debts and advances	-	5.43
Provision for Warranty expenses	0.90	0.85
Advertisement and sales promotion	7.40	6.13
Commission	1.95	1.12
Legal and professional fees	53.54	33.52
Freight outward	62.87	43.38
Payments to auditors	7.17	6.16
Expense on CSR activities (Refer Note: 40)	6.92	7.80
Miscellaneous Expenses	77.35	65.40
Total	**732.07**	**592.97**

30 DEPOSITS

Security Deposits include ₹ 8.22 million (as at 31st March, 2017 : ₹ 7.62 million and as at April 1, 2016 : ₹ 9.88 million) of security deposits paid to Ready Mix Concrete Limited (a entity in which Key Managerial Person have significant influence) for use of three additional factory sheds taken under lease by the group from November 01, 2012.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

31 OPERATING LEASE

The group's significant leasing arrangements are in respect of operating leases for factory shed/premises and guest house. These lease agreements range up to 36 months from the end of the current financial year and are usually renewable by mutual consent on mutually agreeable terms.

The total future minimum lease payments under operating lease are as under:

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Total Minimum lease payments		
Payable within one year	44.83	41.05
Payable later than one year and not later than five year	21.56	43.03
Payable after five years	-	-
(ii) Lease payment recognised in Statement of Profit and Loss for the year. (Refer Note : 29)	48.30	46.15

32 CONTINGENT LIABILITIES AND COMMITMENTS

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
1) Contingent Liabilities		
a) Claim against the group not acknowledged as debts		
i) Dispute relating to Excise, Service tax and Sales tax	19.54	16.91
ii) Matter decided in favour of the group where the income tax department has preferred appeals.	63.41	61.14
iii) Disputed demands relating to tax against which the group has preferred appeals.	10.15	12.51
Note: Againts the above, the group has paid ₹ 2.66 Millions. The expected outflow will be determined at the time of final outcome in respect of concerned matter. No amount is expected to be reimbursed. Disputes under Indirect Tax Laws are mainly related to 1) demand of CENVAT credit of Excise Duty availed in respect of material sent for job work, re-glass lining of old and used glass lined equipment 2) Service Tax availed on Goods Transport Agency services and 3) Value Added tax & Central Sales Tax in respect of free sales and non-receipt of C forms. Disputes under Direct Tax Laws are mainly related to disallowance of expense u/s 43B, 14A of Income Tax Act, 1961 and upward adjustment in Arm's length Price.		
b) Guarantee issued by bank against customer advances and product perfomances	359.18	294.36
2) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	47.94	11.62

33 DETAILS OF MAJOR PRODUCTS SOLD

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	Value	Value
Items		
1. Enameled acid & alkali and chemical equipment	1,857.98	1,674.22
2. Mild steel and stainless steel equipment	1,923.62	1,827.53
3. Fusion seamed products and Isostatic moulded products		
- Dip pipes and sparger	3.06	15.04
4. Others	324.96	264.40
	4,109.62	**3,781.19**

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

34 AS PER IND AS 19 "EMPLOYEE BENEFITS", THE DISCLOSURES AS DEFINED IN THE ACCOUNTING STANDARD ARE GIVEN BELOW:

Defined Contribution Plans

The Group operates defined contribution retirement benefit plans for all qualifying employees in the form of provident fund, superannuation fund, family pension fund.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Employer's contribution to Provident Fund	9.63	7.55
Employer's contribution to Super annuation Fund	4.25	3.63
Employer's contribution to Pension Scheme	5.74	4.73

Compensated absences and earned leaves

The Group's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy.

Defined Benefit Plans

The group operates a defined benefit plan in form of gratuity plan and pension scheme covering eligible employees, which provide a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

The amounts recognized in the Group's financial statements as at the year end are as under:

These plans typically expose the group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yeilds at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yeilds at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on planned asset is below this rate, it will create a plan deficit. Currently,for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan liability.

In respect of the plan, the most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at March 31, 2018. The present value of the defined benefit obligation, the related current service cost and past service cost,were measured using the projected unit credit method.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

34 AS PER IND AS 19 "EMPLOYEE BENEFITS", THE DISCLOSURES AS DEFINED IN THE ACCOUNTING STANDARD ARE GIVEN BELOW: (CONTD.)

The amounts recognized in the Group's financial statements as at the year end are as under:

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Pension Scheme		
Assumptions :		
Discount Rate	0.80%	0.70%
Salary Increase	1.00%	0.50%
Inflation Rate	1.00%	0.50%
Interest on Old age Account	0.80%	0.70%
Lump sum Payments at retirement	30.00%	30.00%
Mortality Rates	BVG 2015GT	BVG 2015GT
Disability Rates	BVG 2015	BVG 2015
Reconciliation of Funded Status :		
Present Value of funded obligation	620.19	526.24
Plan Assets at fair value	(494.45)	(444.56)
Under / (Over) funding :	125.74	81.68
Present value of unfunded obligation	-	-
Asset not available to Group	-	-
Net Liability / (asset)	**125.74**	**81.68**
Net Liability reduced due to risk sharing	**29.40**	**22.98**
Major Asset Categories :		
Qualified Insurance Policy	484.99	453.45
Cash	9.46	(8.89)
Total	**494.45**	**444.56**
Components of the Defind Benefit Obligation :		
Defined benefit obligation for active employee	522.63	432.89
Defined benefit obligation for vested terminations		-
Defined benefit obligation for vested pensioners	97.56	93.36
Total	**620.19**	**526.25**
Projected Contribution for next year	14.94	11.93
Expenses Recognized :		
In Profit & Loss	13.58	81.68
In Other Comprehensive Income	40.18	-
	53.76	**81.68**

Sensitivity analysis for each significant actuarial assumption as at March 31, 2018

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in Million

Particulars	March 31, 2018
Projected Benefit obligation on current assumption	
Impact of increase in discount rate by 0.25%	(23.51)
Impact of decrease in discount rate by -0.25%	(25.43)
Impact of increase in salary escalation rate by 0.5%	4.51
Impact of decrease in salary escalation rate by -0.5%	**(4.53)**

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

34 AS PER IND AS 19 "EMPLOYEE BENEFITS", THE DISCLOSURES AS DEFINED IN THE ACCOUNTING STANDARD ARE GIVEN BELOW: (CONTD.)

₹ in Million

		Gratuity		Compensated Absences (Funded)	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
a	**Assumptions :**				
	Discount Rate	7.87%	7.52%	7.87%	7.52%
	Rate of Return on Plan Assets	7.87%	7.52%	7.87%	7.52%
	Salary Escalation	6.0%	6.0%	6.0%	6.0%
	Mortality	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08
	Average Past Service	6.89 Years	7.61 Years	6.89 Years	7.61 Years
	Average Age	36.04 Years	36.85 Years	36.04 Years	36.85 Years
	Rate of Employee Turnover	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a.	2.0%	For Service 4 years and below 7% p.a. For Service 5 years and above 1% p.a.	2.0%
		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	45.54	45.31	13.09	16.60
	Interest cost	3.42	3.66	0.98	1.34
	Current service cost	2.81	3.33	2.05	2.21
	Benefit paid	(7.40)	(4.12)	(4.55)	(3.13)
	Actuarial (gains) and loss arising from changes in demographic assumptions	(0.19)	-	(0.21)	-
	Actuarial (gains) and loss arising from changes in financial assumptions	(1.60)	(1.75)	(0.78)	(0.73)
	Actuarial (gains) and loss arising from experience adjustments	4.54	(0.89)	7.98	(3.20)
	Liability at the end of the year	47.12	45.54	18.56	13.09
c	**Change in Plan Assets:**				
	Fair value of Plan Assets at the beginning of the year	44.41	40.03	16.75	16.11
	Expected Return on Plan Assets	3.34	3.23	1.26	1.30
	Contributions	1.47	5.57	0.06	0.88
	Benefit Paid	(7.40)	(4.12)	(2.57)	(1.39)
	Actuarial gain / (loss) on Plan Assets	(0.60)	(0.30)	(0.24)	(0.15)
	Fair value of Plan Assets at the end of the year	41.22	44.41	15.26	16.75
d	**Actual Return on Plan Assets:**				
	Expected Return on Plan Assets	3.34	3.23	1.26	1.30
	Actuarial gain on Plan Assets	(0.60)	(0.30)	(0.24)	(0.15)
	Actual Return on Plan Assets	2.74	2.93	1.02	1.15
e	**Amount Recognized in the Balance Sheet:**				
	Present value of Funded defined benefit obligation at the end of the year	47.12	45.54	18.56	13.09
	Fair value of Plan Assets at the end of the year	41.22	44.41	15.26	16.75
	Net (Liability)/Asset Recognized in the Balance Sheet	(5.90)	(1.13)	(3.30)	3.66

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

34 AS PER IND AS 19 "EMPLOYEE BENEFITS", THE DISCLOSURES AS DEFINED IN THE ACCOUNTING STANDARD ARE GIVEN BELOW: (CONTD.)

₹ in Million

		Gratuity		Compensated Absences (Funded)	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
f	**Expenses Recognized in the Statement of Profit & Loss :**				
	Current Service cost	2.81	3.33	2.05	2.21
	Interest Cost	0.08	0.43	(0.28)	0.04
	Net Actuarial (gain) / loss to be recognized	3.35	(2.34)	7.23	(3.78)
	Expense / (Income) Recognized in Statement of Profit & Loss	6.24	1.42	9.00	(1.53)
g	**Balance Sheet Reconciliation:**				
	Opening Net Liability	1.13	5.28	(3.66)	0.48
	Expenses recognised in Statement of P&L	2.89	3.76	9.00	(1.53)
	Expenses recognised in OCI	3.35	(2.34)	-	-
	Employers Contribution	(1.47)	(5.57)	(2.04)	(2.61)
	Net Liability / (Assets) Recognized in Balance Sheet	5.90	1.13	3.30	(3.66)
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	4.54	-0.89	7.98	-3.20
	Actuarial (Gains)/Losses on Plan Assets - Due to Experience	0.60	0.30	0.24	0.15
j	**Projected Contribution for next year**	10.08	4.82	4.99	0.00
k	**Sensitivity analysis for each significant actuarial assumption**				
	The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.				

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Projected Benefit obligation on current assumption	47.11	45.54
Impact of increase in discount rate by 1%	(4.10)	(3.46)
Impact of decrease in discount rate by 1%	4.84	4.06
Impact of increase in salary escalation rate by 1%	4.89	4.08
Impact of decrease in salary escalation rate by 1%	(4.20)	(3.54)
Impact of increase in rate of employee turnover by 1%	0.72	0.45
Impact of decrease in rate of employee turnover by 1%	(0.83)	(0.51)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

l Investment details of plan assets

The Plan assets are managed by Insurance group viz. Life Insurance Corporation of India which has invested the funds substantially as under :

Particulars ₹ in Million

	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Insurance Fund	41.23	44.41	15.26	16.75
Total	**41.23**	**44.41**	**15.26**	**16.75**

m Maturity Profile

₹ in Million

	Gratuity	
Particulars	March 31, 2018	March 31, 2017
1st Following Year	3.72	7.78
2nd Following Year	1.45	2.64
3rd Following Year	6.62	2.26
4th Following Year	4.81	3.35
5th Following Year	2.95	4.02
Sum of Years 6 to 10	13.55	13.32
Sum of Years 11 and above	94.55	71.09

n Asset-liability matching strategies :

In respect of gratuity and Leave encashment plan, the Company contributes to the insurance fund based on estimated liability of the next financial year end. The projected liability statement is obtained from the actuarial valuer.

35 FINANCIAL INSTRUMENT:

35.1 Capital Management

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

The group is zero debt group and its capital structure consists of own equity only.Hence, Gearing Ratio of the group for the year ended March 31, 2018 as well as March 31, 2017 comes to NIL.

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

35.2 Categories of Financial Instruments :

₹ in Million

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Financial assets			
Measured at fair value through profit or loss (FVTPL)			
(a) Mandatorily measured			
(i) Investment in Growth mutual fund	496.92	450.64	159.69
(b) Designated as at FVTPL			
(i) Investment in equity instruments	8.75	8.96	17.12
Measured at amortised cost			
(a) Cash and bank balances	667.89	316.49	536.26
(b) Other financial assets at amortised cost			
(i) Trade Receivables	505.29	699.04	486.79
(ii) Loans	2.73	95.42	10.04
(iii) Others	423.75	109.67	38.13
Financial liabilities			
Measured at amortised cost			
Trade Payables	608.45	546.06	306.85
Others	95.64	79.22	52.79

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

35.3 FINANCIAL RISK MANAGEMENT OBJECTIVES

The group's corporate treasury function provides services to the business, coordinates access to domestic and international financial market, monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyse exposures by degree and magnitude of the risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

35.3.1 Market Risk management

Market risk refers to the possibility that changes in the market rates may have impact on the group's profits or the value of its holding of financial instruments. The group is exposed to market risks on account of foreign exchange rates, interest rates and underlying investment prices.

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and investment prices.

(a) Foreign currency exchange rate risk:

The group's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the group.

Since a major part of the group's revenue and its costs are in Indian Rupees , any movement in currency rates would not have major impact on the group's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The carrying amount of Foreign Currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

₹ in Million

Particulars	Currency	(Liabilities)/Assets as at March 31, 2018	March 31, 2017	April 1, 2016
Trade Payable (Net of advances)	USD	0.42	(2.76)	(3.01)
(a) Mandatorily measured	EUR	(3.89)	(4.14)	0.11
(b) Other financial assets at amortised cost	JPY	(13.09)	0.11	0.57
Cash & Cash Equivalents*	USD	0.00	-	-
	EUR	0.00	-	-
Trade Receivable (Net of advances)	USD	7.92	7.25	12.65
	EUR	34.95	20.07	16.65

* The value of INR equivalent to USD is 129 and to EUR is 1,575.

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 ₹ 1.32 million (₹ 1.03 million) in the group's net profit for the year ended March 31, 2018 and March 31, 2017 respectively.

(b) Interest rate risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The group does not have any outstanding borrowings at the end of any reporting period and hence group is not subject to any interest rate risk.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

35.3 Financial risk management objectives (contd.)

(c) Other price risk

The group is exposed to price risks arising from its investments which are held for strategic as well as trading purposes.

The sensitivity analysis have been determined based on the exposure to price risks for Investments in equity shares of other companies and mutual funds at the end of the reporting period.

If prices had been 5% higher/lower:

Profit for the year ended March 31, 2018 would increase/decrease by ₹ 25.28 millions (for the year ended March 31, 2017 by ₹ 22.98 millions) as a result of the change in fair value of investments.

35.3.2 Credit risk management

Credit risk is the risk of financial loss arising from counter party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables.

All trade receivables are subject to credit risk exposure. The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. The group does not have significant concentration of credit risk related to trade receivables except the details given below for the customers contribute to more than 5% of total outstanding accounts receivable as at any reporting period end.

Cusomter Name	Year ended March 31, 2018		Year ended March 31, 2017		Year ended April 1, 2016	
	% of total receivables	(Amount in ₹)	% of total receivables	(Amount in ₹)	% of total receivables	(Amount in ₹)
Bayer Vapi Pvt. Ltd.	1.16%	6,515,131	7.85%	59,555,155	0.96%	5,129,970
Atul Limited	0.33%	1,857,849	0.40%	3,000,061	5.43%	28,999,022
P.I.Industries Ltd.	0.25%	1,382,231	5.54%	42,003,292	0.98%	5,229,810
China Kunlun Contracting & Engg Corp	2.20%	12,323,420	5.95%	45,101,054	0.00%	-
Deccan Fine Chemicals (I) Pvt. Ltd.	12.09%	67,875,692	6.88%	52,199,981	3.36%	17,936,774
Toyo Engineering India Ltd.	7.37%	41,346,914	2.39%	18,134,548	0.08%	425,855

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 2105.33 millions and ₹ 1680.22 millions as at March 31, 2018 and March 31, 2017 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments excluding investments in subsidiary companies, and these financial assets are of good credit quality including those that are past due.

35.3.3 Liquidity risk management:

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The table below include only principal cash flows in relation to non-derivative financial liabilities.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

35.3 Financial risk management objectives (contd.)

₹ in Million

Particulars	Up to 1 Year	1 to 5 years	5 years and above
As at March 31, 2018			
Trade payable	608.45		
Other Financial Liabilities	95.64		
Total	**704.09**		
As at March 31, 2017			
Trade payable	546.06		
Other Financial Liabilities	79.22		
Total	**625.28**	**-**	**-**
As at April 1, 2016			
Trade payable	306.85		
Other Financial Liabilities	52.79		
Total	**359.64**	**-**	**-**

The following table details the group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

₹ in Million

Particulars	Less than 1 month	1 to 5 years	5 years and above
March 31, 2018			
Current Investments	496.92	-	-
Trade receivables	505.29	-	-
Cash & Cash equivalents	665.66	-	-
Bank balances other than above	2.23	-	-
Current Financial assets-Loans	2.73	-	-
Other Financial Assets	410.98	-	-
Non current Investments	-	8.75	-
Non current Financial assets- Loans	-	0.00	-
Other Non current Financial assets	-	4.55	8.22
Total	**2083.81**	**13.30**	**8.22**
March 31, 2017			
Current Investments	450.64	-	-
Trade receivables	699.04	-	-
Cash & Cash equivalents	311.03	-	-
Bank balances other than above	5.46	-	-
Current Financial assets-Loans	94.23	-	-
Other Financial Assets	101.67	-	-
Non current Investments		8.96	-
Non current Financial assets- Loans		1.19	-
Other Non current Financial assets		0.38	7.62
Total	**1,662.07**	**10.53**	**7.62**
April 1, 2016			
Current Investments	159.69		
Trade receivables	486.79		
Cash & Cash equivalents	363.48		
Bank balances other than above	172.78		
Current Financial assets-Loans	10.04		
Other Financial Assets	14.87		
Non current Investments		17.12	
Non current Financial assets- Loans		0.00	
Other Non current Financial assets		13.38	9.88
Total	**1,207.65**	**30.50**	**9.88**

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

36 FAIR VALUE MEASUREMENTS

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

Fair Value of the group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Financial Assets / financial liabilities	Fair Value as at				
	March 31, 2018	March 31, 2017	April 1, 2016	Fair Value hierarchy	Valuation technique(s) and key input(s)
1. Investments in Mutual Funds (Note 8)	496.92	450.64	159.69	Level 1	Quoted bid prices in an active market
2. Investments in equity instruments (Quoted) (Note 8)	3.97	4.08	12.39	Level 1	Quoted bid prices in an active market
3. Investments in equity instruments (Unquoted) (Note 8)	0.01	0.01	0.01	Level 3	Net asset approach - value per equity share of investment is derived by dividing net assets of group with total no. of equity shares issued by the group
4. Investments in Government Securities (Quoted) (Note 8)	4.77	4.87	4.71	Level 1	Quoted bid prices in an active market

Note 1: Significant unobservable inputs for Financial Instruments classified under "Level - 3" Fair Value hierarcy are Net Assets of the investee group as on the date of Fair Valuation.

Note 2: Reconciliation of Level 3 fair value measurements

₹ in Million

Particulars	Unlisted Equity Instrument
Opening Balance as at April 1, 2016	0.01
Total Gain/(Loss) in statement of Profit and Loss	-
Closing Balance as at March 31, 2017	**0.01**
Total Gain/(Loss) in statement of Profit and Loss	-
Closing Balance as at March 31, 2018	**0.01**

37 EARNING PER SHARE

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a) Net profit for the year available to equity shareholders after Tax in ₹ Millions'	426.76	311.22
b) Weighted average number of Equity Shares during the year	14,617,500	14,617,500
c) Face value of Equity Share in ₹	2	2
d) Basic and diluted earnings per share (₹)	29.20	21.29

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

38 RELATED PARTY DISCLOSURES

(I) List of Related parties

(a) Parties where control exists:		
(i) Ultimate Holding Company	:	Pfaudler International S.a.r.l.
(ii) Holding Company	:	Pfaudler Inc., USA
(b) Fellow Subsidiaries	:	Pfaudler GmbH, Germany
		Pfaudler Balfour Ltd.
		Edlon PSI Inc.
		Suzhou Pfaudler Glass Lined Equipment Co. Ltd.
		Glass Steel Parts and Services
		Pfaudler S.r.l., Italy
		Pfaudler Limited, UK
		Pfaudler Rochester,USA
		Pfaudler Process Solution Group U.K. Limited
		Pfaudler Ltda, Brazil
		Normag Labournd Prozees Technik GmbH
		Interseal Dipl. - Ing. Rofl Schmitz GmbH
(c) Key management personnel	:	Mr. Tarak Patel – Managing Director
		Mr. Ashok Pillai – Chief Operating Officer
		Mr. Jugal Sahu – Chief Financial Officer
		Ms. Mittal Mehta – Company Secretary
(d) Relative of Key management personnel	:	Mr. Ashok Patel (Father of Mr. Tarak Patel)
		Mrs. Urmi Patel (Mother of Mr. Tarak Patel)
		Mrs. Uttara Gelhaus (Sister of Mr. Tarak Patel)
		Mrs. Payal Patel (wife of Mr. Tarak Patel)
(e) Enterprises over which key managerial personnel have significant influence	:	Skyline Millars Ltd.
		Ready Mix Concrete Ltd.
		Ashok J Patel - HUF
		JV Patel & Co.
		Oerlikon Textiles (I) Pvt. Ltd.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

38 RELATED PARTY DISCLOSURES (CONTD.)

(II) Transactions with related parties

₹ in Million

Transaction	Holding Company		Fellow Subsidiaries		Key Management Personnel		Relative of Key Management Personnel		Other Related Parties	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Purchase of goods	0.61	0.16	10.49	6.90		-		-	7.57	3.31
Sale of goods	1.24	4.17	74.59	35.92	-	-		-	-	-
Services received	1.11	0.17	0.14	0.35		-		-	0.48	0.65
Royalty	17.81	15.48	-	-		-		-	-	-
			-						-	
Lease Rent paid		-	-	-		-		-	34.20	30.40
			-						-	
Remuneration		-	-	-	38.77	33.06	10.07	-	-	-
			-						-	
Dividend paid	29.50	22.12	-	-	0.70	0.52	5.32	3.99	-	-
			-						-	
Advance Received		-	-	4.55		-		-	-	-
			-						-	
Advance Received back	13.15	-	-	-		-		-	-	-
			-						-	
Loan Given		-	-	90.18		-		-	-	-
			-						-	
Repayment of Loan		-	90.18	-	2.94	2.40		-	-	-
Commission Payment	0.18	-	1.92							
			-						-	
Balance outstanding#										
Payables	29.09	-	1.97	5.77	12.60	13.05		-	2.94	3.14
			-							
Receivables*		-	31.02	107.41	1.19	4.13		-	-	-
Deposit outstanding		-		-		-		-	27.73	27.73

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

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

38 RELATED PARTY DISCLOSURES (CONTD.)

(III) Significant Related Party Transactions are as under:

₹ in Million

Nature of transactions	Name of Party	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of goods	Pfaudler GmbH, Germany	4.97	4.94
	Oerlikon Textile India Pvt.Ltd	7.57	3.27
	Pfaudler S.r.l, Italy	1.64	1.61
Sale of goods	Pfaudler GmbH	24.27	8.90
	Suzoh Pfaudler Glass Lined Equipment Co. Ltd	31.34	1.60
	Pfaudler S.r.l, Italy	-	18.26
Services received	Ready Mix Concrete Ltd.	0.48	0.48
	Pfaudler Inc., US	1.11	-
	Skyline Millars Ltd	0.73	
Lease rent paid	Ready Mix Concrete Ltd.	33.19	29.39
Royalty	Pfaudler Inc., US	17.81	15.48
Remuneration paid	Mr. Ashok Pillai	9.45	8.25
	Mr. Tarak Patel	20.27	16.82
	Mr. Ashok Patel	10.07	-
	Mr. Jugal Sahu	7.25	6.44
Dividend paid	Pfaudler Inc	29.49	22.12
	Mr. Ashok Patel	0.03	1.49
Commission Paid	Suzoh Pfaudler Glass Lined Equipment Co. Ltd	1.92	-
Repayment of Loan	Pfaudler GmbH, Germany	90.18	-
	Mr. Ashok Pillai	2.94	2.40
Loan Given	Pfaudler GmbH, Germany		90.18
Balances outstanding as on March 31, 2018			
Payables	Pfaudler S.r.l., Italy	0.94	1.22
	Ready Mix Concrete Ltd.	-	2.00
	Oerlikon Textile India Pvt. Ltd	2.94	1.14
	Pfaudler Inc.	29.09	-
Recaeivables	Pfaudler GmbH, Germany	23.37	7.38
	Pfaudler S.r.l., Italy	5.89	9.85
Advance Received against order	Pfaudler Ltda, Brazil	-	4.55
Deposit outstanding	Ready Mix Concrete Ltd.	27.73	27.73
Key Managerial Personal			
Receivable	Mr. Ashok Pillai	1.19	4.13
Payable	Mr. Tarak Patel	9.92	11.00
	Mr. Ashok Pillai	1.14	1.60
	Mr. Jugal Sahu	1.29	0.90

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short-term employee benefits	34.15	30.59
Post-employment benefits	4.51	2.36
Other long-term benefits	0.11	0.11
Termination benefits	-	-
Share-based payment	-	-
Total	**38.77**	**33.06**

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

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

39 SEGMENT REPORTING

(a) Primary Segment reporting by Business Segment

₹ in Million

Particulars	Glasslined Equipment		Heavy Engineering		Proprietary Product		Total	
Year Ended	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue :								
Total External Sales	2,185.99	1,953.65	370.92	469.58	1,552.71	1,357.96	4,109.62	3,781.19
Segment Results:								
Profit/(Loss) Before Tax and Interest	429.54	357.62	40.29	67.47	205.57	90.76	675.40	515.85
Unallocated Expense(Net)							68.99	82.38
Add: Interest Income							10.41	16.14
Less: Interest Expense							10.31	9.01
Profit/(Loss) Before Tax							606.51	440.60
Taxes							179.75	129.38
Net Profit After Tax							426.76	311.22
Segment Assets	1,325.80	1,073.54	258.47	242.17	1,342.79	959.75	2,927.06	2,275.46
Unallocated Assets							996.21	908.77
Total Assets							3,923.27	3,184.23
Segment Liabilities	656.16	497.61	104.67	163.35	819.79	549.31	1,580.62	1,210.27
Unallocated Liabilities							65.15	35.78
Total Liabilities							1,645.77	1,246.05
Capital Expenditure	128.39	66.39	3.40	40.50	36.51	17.43	168.30	124.32
Unallocated Capital Expenditure							69.12	4.16
Depreciation	56.00	54.10	8.36	7.09	28.73	15.99	93.09	77.18
Unallocated Depreciation							4.81	5.16

Notes

1) Considering the nature of the Group's business and operations, as well as based on reviews performed by Chief operating decision maker regarding resource allocation and performance management, the Group has classified Glass lined Equipment, Heavy Engineering and Proprietary Products as reportable segments in accordance with the requirements of Ind AS 108 – " Operating segments".

2) Segment revenue, results, assets and liabilities include amounts that are directly attributable to the respective segments. Amounts not directly attributable have been allocated to the segments on the best judgment of the management in the absence of detailed internal financial reporting system. Expenses not directly allocable to the segments are treated as "Unallocated Expenses"

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

Entity wide Disclosure

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
India	660.31	520.49
Others	-	-
Total	**660.31**	**520.49**

Geographic information

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
Revenue from external customers		
India	2,898.62	2,753.06
Outside India	1,211.00	1,028.13
Total revenue	**4,109.62**	**3,781.19**

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

40 CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Expenditure related to CSR as per section 135 of Companies Act, 2013 read with schedule VII thereof, against the mandatory spend of ₹ 6.29 million,is as follows:

₹ in Million

Sr. No.	Sector / Activity Identified	CSR Project	Location	Implementing Agency	Budget	Amount Spent
1.	Hospital / Rural Healthcare	Contribution for promoting rural healthcare	Karamsad, Gujarat	Charutar Arogya Mandal	2.80	2.80
2.	Skill Development	Contribution to JV Patel ITI School	Karamsad, Gujarat	JV Patel ITI	3.11	3.31
3.	Environment Sustainability	Contribution to Sardar Patel Trust	Karamsad, Gujarat	Sardar Patel Trust	0.64	0.64
4.	Social Awarness	Contribution to Institute of Chemical Technology (Awaaz)	Mumbai, Maharashtra	Institute of Chemical Technology	0.15	0.15
				Total	**6.92**	**6.92**

41 RESEARCH AND DEVELOPMENT EXPENSES

Break-up of research and development expenses included in statement of profit and loss under below heads:

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Material Cost	1.04	0.22
Employee benefits expenses	8.13	10.02
Other expenses:	-	-
Labour Charges Paid to Subcontractors	1.76	1.78
Depreciation	0.09	0.09
	11.02	**12.11**

42 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013

Details of loans given

₹ in Million

Sr. No.	Name of the Party	As at March 31, 2018	As at March 31, 2017
1.	Mr. Ashok Pillai	1.19	4.12

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

43 ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTERPRISES CONSOLIDATED AS SUBSIDIARIES

(a) As at and for the year ended March 31, 2018

₹ in Million

Sr. No.	Name of Entity	Net Asset i.e total assets minus total liablities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Holding Co.	**As % of Conso-lidated net asset**	**(₹ in Millions)**	**As % of Conso-lidated net asset**	**(₹ in Millions)**	**As % of Conso-lidated other compre-hensive Income**	**(₹ in Millions)**	**As % of Conso-lidated profit or loss**	**(₹ in Millions)**
	GMM Pfaudler Limited	81.58	1,858.05	66.49	283.75	19.58	(3.35)	68.45	280.40
	Subsidiaries								
	Indian-								
1	Karamsad Holding Ltd.	0.21	4.70	0.01	0.03	-	-	0.01	0.03
2	Karamsad Investments Ltd.	0.20	4.52	0.00	(0.01)	-	-	0.00	(0.01)
	Foreign-								
1	GMM Mavag AG	15.25	347.32	0.97	4.14	-	-	1.01	4.14
2	Mavag AG	22.27	507.17	33.77	144.12	197.25	(33.75)	26.94	110.37
	Consolidation Adjustment	(19.51)	(444.26)	(1.24)	(5.27)	(116.83)	19.99	3.59	14.72
	Total		**2,277.50**		**426.76**		**(17.11)**		**409.65**

(b) As at and for the year ended March 31, 2017

₹ in Million

Sr. No.	Name of Entity	Net Asset i.e total assets minus total liablities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Holding Co.	**As % of Conso-lidated net asset**	**(₹ in Millions)**	**As % of Conso-lidated Profit or Loss**	**(₹ in Millions)**	**As % of Conso-lidated other compre-hensive Income**	**(₹ in Millions)**	**As % of Conso-lidated profit or loss**	**(₹ in Millions)**
	GMM Pfaudler Limited	85.03	1,648.03	83.77	260.72	(18.59)	2.34	88.09	263.06
	Subsidiaries								
	Indian-								
1	Karamsad Holding Ltd.	0.24	4.67	0.03	0.10	-	-	0.03	0.10
2	Karamsad Investments Ltd.	0.23	4.53	0.04	0.11	-	-	0.04	0.11
	Foreign-								
1	GMM Mavag AG	16.74	324.53	0.78	2.42	-	-	0.81	2.42
2	Mavag AG	19.92	386.16	20.34	63.30	-	-	21.20	63.30
	Consolidation Adjustment	(22.16)	(429.74)	(4.96)	(15.43)	118.59	(14.93)	(10.17)	(30.36)
	Total		**1,938.18**		**311.22**		**(12.59)**		**298.63**

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

44 GOODWILL ON CONSOLIDATION

₹ in Million

Sr. No.	Name of the Parties	As at March 31, 2018	As at March 31, 2017
1.	Opening Balance	114.72	121.43
2.	Add: On acquisition of subsidiaries during the year	-	-
3.	Add/ (less): Exchange difference during the year on translation of Goodwill of foreign subsidiaries	6.59	(6.71)
4.	Less: On disposal of subsidiaries during the year	-	-
5.	Less: Accumulated impairment	-	-
	Total	121.31	114.72

Goodwill arising on the acquisition of a foreign entity is translated at the closing rate.

45 PROPOSED DIVIDEND:

The Board of Directors in their meeting held on May 16, 2018, proposed a final equity dividend of ₹ 1.9 per equity share of ₹ 2.00 each fully paid up for the financial year 2017-18. The aggregate amount of final equity dividend proposed to be distributed is ₹ 27.77 million including dividend distribution tax of ₹ 5.71 million.

46 PREVIOUS YEARS FIGURES HAVE BEEN REGROUPED/RECLASSIFIED WHEREVER NECESSARY TO COMPLY WITH IND AS.

47 THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018 WERE APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON MAY 16, 2018.

As per our report of even date.

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

Kartikeya Raval
Partner

Mumbai, May 16, 2018

For and on behalf of the Board

Dr. S. Sivaram
Chairman
DIN : 00009900

Tarak Patel
Managing Director
DIN: 00166183

Jugal Sahu
Chief Financial Officer
ACA 205251
Mumbai, May 16, 2018

Mittal Mehta
Company Secretary
FCS 7848

Notes

Notes

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Vithal Udyognagar, Anand - Sojitra Road,
Karamsad - 388 325, Gujarat.
Tel: +91 2692 661 700

CORPORATE & SALES OFFICE

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Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai - 400 013, Maharashtra.
Tel: +91 22 6650 3900

SALES OFFICE

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Hyderabad
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Vijay Sai Towers, Main Road, Kukatpally,
Hyderabad - 500 072, Andhra Pradesh.
Tel: +91 40 2315 0222 / 400 55058

Vadodara
227, Sidharth Complex, R. C. Dutta Road,
Alkapuri, Vadodara - 390 005, Gujarat.
Tel: +91 265 235 4790 / 234 4744

SALES & SERVICE OFFICES

Ankleshwar
A/2 - 2412, GIDC Estate,
Near ETL, Gujarat - 393 002
Tel: +91 2646 650 808 / 222 614

Roha
Shed No. 3, Gurukrupa Niwas, Roha - Kolad Road,
Near Shree Dutta Temple, Dhatav, Raigad,
Maharashtra - 402 116.
Tel: +91 98334 54694/ 70451 57078.

Visakhapatnam
Plot No: 71, IDA Block E,
Fakeertakaya Village, Gajuwaka Mandal,
Opp. Vizag Plant Kurmannapalem Main Entrance,
Visakhapatnam - 530 012, Andhra Pradesh.
Tel: +91 70933 18671

GMM Pfaudler
Defining the standard

CIN No. L29199GJ1962PLC001171

Corporate and Sales Office:
1001, Peninsula Towers, Peninsula Corporate Park,
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