

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE  
FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
GMM PFAUDLER LIMITED**

**Opinion and Conclusion**

We have (a) audited the Standalone Financial Results for the year ended March 31, 2022 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2022 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended March 31, 2022" of **GMM PFAUDLER LIMITED** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

**(a) Opinion on Annual Standalone Financial Results**

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2022:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

**(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended  
March 31, 2022**

With respect to the Standalone Financial Results for the quarter ended March 31, 2022, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2022, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



**Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2022**

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under Section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those Standards are further described in paragraph (a) of Auditor’s Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“the ICAI”) together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

**Management’s Responsibilities for the Statement**

This Statement which includes the Standalone Financial Results is the responsibility of the Company’s Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2022 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2022 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 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 Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company’s ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.



**Auditor's Responsibilities**

**(a) Audit of the Standalone Financial Results for the year ended March 31, 2022**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2022 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**(b) Review of the Standalone Financial Results for the quarter ended March 31, 2022**

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2022 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Other Matters**

- The Statement includes the results for the Quarter ended March 31, 2022 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No. 117365W)



*H. S. Sutaria*

Hardik Sutaria  
Partner

(Membership No.116642)

UDIN: 22116642AJOATD3663

Place: Mumbai  
Date: May 25, 2022

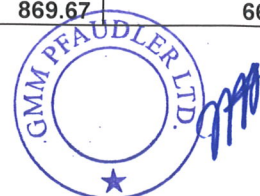
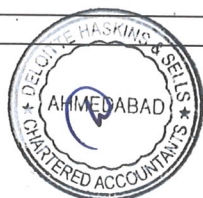
STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

₹ In Crore (except per share data)

Sr. No.	Particulars	Standalone				
		Quarter ended		Year ended		
		31.03.2022 (Refer Note 10)	31.12.2021 Unaudited	31.03.2021 (Refer Note 10)	31.03.2022 Audited	31.03.2021 Audited
1	<b>Income:</b>					
	Revenue from operations	228.54	208.97	190.04	814.82	640.81
	Other income	1.19	0.53	0.76	3.76	7.89
	<b>Total Income</b>	<b>229.73</b>	<b>209.50</b>	<b>190.80</b>	<b>818.58</b>	<b>648.70</b>
2	<b>Expenses:</b>					
	a) Cost of materials consumed	132.72	110.40	86.21	402.12	263.71
	b) Changes in inventories of finished goods and work-in-progress	(24.19)	(12.53)	(10.97)	(41.11)	10.32
	c) Employee benefits expense	23.20	22.62	16.28	86.55	69.90
	d) Depreciation & amortization expense	8.55	8.64	7.22	33.57	28.95
	e) Labour charges	17.70	16.72	13.81	58.86	41.88
	f) Finance cost	4.13	2.97	1.94	15.00	6.66
	g) Other expenses	39.91	33.91	32.40	136.57	101.38
	<b>Total Expenses</b>	<b>202.02</b>	<b>182.73</b>	<b>146.89</b>	<b>691.56</b>	<b>522.80</b>
3	<b>Profit before exceptional items and tax (1-2)</b>	<b>27.71</b>	<b>26.77</b>	<b>43.91</b>	<b>127.02</b>	<b>125.90</b>
4	Exceptional items	-	-	-	-	-
5	<b>Profit Before Tax (3 ± 4)</b>	<b>27.71</b>	<b>26.77</b>	<b>43.91</b>	<b>127.02</b>	<b>125.90</b>
6	<b>Tax Expense:</b>					
	Current tax	7.41	6.96	10.96	32.65	32.65
	Excess provision for tax relating to prior years / periods	-	-	-	(0.58)	(1.39)
	Deferred tax	(0.05)	0.28	1.47	(0.01)	(0.46)
7	<b>Profit for the period from continuing operation (5-6)</b>	<b>20.35</b>	<b>19.53</b>	<b>31.48</b>	<b>94.96</b>	<b>95.10</b>
8	Profit from discontinued operations	-	-	-	-	-
9	Tax expenses of discontinued operations	-	-	-	-	-
10	<b>Profit from discontinued operations (after tax) (8-9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11	<b>Profit for the period (7+10)</b>	<b>20.35</b>	<b>19.53</b>	<b>31.48</b>	<b>94.96</b>	<b>95.10</b>
12	<b>Other Comprehensive Income</b>					
	A) Items that will not be reclassified to profit or loss					
	i) Actuarial gain / (loss) on gratuity and pension obligations	0.73	(0.53)	(1.00)	(0.87)	(1.52)
	ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	B) Items that will be reclassified to profit or loss					
	i) Exchange difference in translating the financial statements of foreign components	-	-	-	-	-
	ii) Income tax relating to items that will be reclassified to profit & loss	-	-	-	-	-
13	<b>Total Comprehensive Income for the period (11+12) (Comprising Profit and Other Comprehensive Income for the period)</b>	<b>21.08</b>	<b>19.00</b>	<b>30.48</b>	<b>94.09</b>	<b>93.58</b>
14	Earnings per equity share (For continuing operations) (Face Value of share ₹ 2/- each) (not annualised):					
	a) Basic	13.92	13.36	21.54	64.96	65.06
	b) Diluted	13.92	13.36	21.54	64.95	65.06
15	Earnings per equity share (For discontinued operations) (Face Value of share ₹ 2/- each) (not annualised):					
	a) Basic	-	-	-	-	-
	b) Diluted	-	-	-	-	-
16	Earnings per equity share (For continuing operations & discontinuing operations) (Face Value of share ₹ 2/- each) (not annualised):					
	a) Basic	13.92	13.36	21.54	64.96	65.06
	b) Diluted	13.92	13.36	21.54	64.95	65.06
17	Paid-up Equity Share Capital (Face Value of ₹ 2/- each)	2.92	2.92	2.92	2.92	2.92
18	Other Equity				441.70	354.43




	Particulars	As at 31.03.2022	As at 31.03.2021
		Audited	Audited
	<b>ASSETS</b>		
(1)	<b>Non-current assets</b>		
	(a) Property, Plant & Equipment	152.33	129.46
	(b) Right of Use Assets	50.31	15.28
	(c) Capital work-in-progress	10.42	2.61
	(d) Goodwill	5.93	5.93
	(e) Other Intangible Assets	18.66	26.06
	(f) Intangible assets under development	-	0.03
	(g) Financial Assets		
	(i) Investments	171.26	171.24
	(ii) Others	4.44	2.96
	(h) Non-current Tax Assets (net)	0.42	-
	(i) Other non-current assets	1.19	7.12
	<b>Total Non current assets</b>	<b>414.96</b>	<b>360.69</b>
(2)	<b>Current Assets</b>		
	(a) Inventories	230.60	112.65
	(b) Financial Assets		
	(i) Investments	0.08	0.67
	(ii) Trade Receivables	121.01	113.00
	(iii) Cash & Cash Equivalents	14.74	28.68
	(iv) Bank balances other than (iii) above	0.60	3.14
	(v) Loans	0.12	0.08
	(vi) Others	52.42	35.24
	(c) Other current assets	30.06	13.52
	Assets classified as held for sale	5.08	-
	<b>Total Current assets</b>	<b>454.71</b>	<b>306.98</b>
	<b>Total Assets</b>	<b>869.67</b>	<b>667.67</b>
	<b>EQUITY &amp; LIABILITIES</b>		
(1)	<b>Equity</b>		
	(a) Equity Share Capital	2.92	2.92
	(b) Other Equity	441.70	354.43
	<b>Total Equity</b>	<b>444.62</b>	<b>357.35</b>
(2)	<b>LIABILITIES</b>		
	<b>Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowing	100.62	75.20
	(ii) Lease Liabilities	5.23	11.75
	(b) Provisions	-	0.35
	(c) Deferred tax liabilities (net)	4.51	4.52
	<b>Total Non current liabilities</b>	<b>110.36</b>	<b>91.82</b>
(3)	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowing		
	(ii) Lease Liabilities	27.25	30.16
	(iii) Trade payables due to	6.74	5.47
	- Micro & Small Enterprise	2.70	4.41
	- Other than Micro & Small Enterprise	156.13	88.67
	(iv) Others	18.41	18.68
	(b) Other current liabilities	96.30	58.97
	(c) Provisions	7.16	7.11
	(d) Current tax liabilities (net)	-	5.03
	<b>Total Current Liabilities</b>	<b>314.69</b>	<b>218.50</b>
	<b>Total Equity &amp; Liabilities</b>	<b>869.67</b>	<b>667.67</b>





GMM PFAUDLER LIMITED

STATEMENT OF STANDALONE CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

₹ In Crore

Particulars	Year Ended	
	31.03.2022	31.03.2021
	Audited	Audited
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	127.02	125.90
<u>Adjustments for:</u>		
Depreciation and amortisation expenses	33.57	28.95
Net (gain) / loss on disposal of property, plant & equipment	0.02	(0.31)
Net loss on current investments designated as fair value through profit or loss	0.14	0.03
Net loss on sale of current investments	-	0.09
Share based payment to employees	0.17	-
Interest income	(0.22)	(3.30)
Interest and financial charges	15.00	6.66
Provision for doubtful debts, liquidated damages and advances	1.26	4.00
Provision for warranty	(0.30)	2.16
Unrealised foreign exchange fluctuation loss	1.23	0.91
Actuarial loss on gratuity reclassified in OCI	(0.87)	(1.52)
<b>Operating profit before working capital changes</b>	<b>177.02</b>	<b>163.57</b>
<u>Adjustments for :</u>		
Increase in inventories	(117.95)	(1.68)
Increase in trade receivable, loans and other financial & non financial assets	(44.42)	(64.87)
Increase in trade payables, provisions and other financial & non financial liabilities	104.89	53.32
<b>Cash generated from operations</b>	<b>119.54</b>	<b>150.34</b>
Direct Taxes paid	(37.50)	(25.66)
<b>Net cash from operating activities</b>	<b>82.04</b>	<b>124.68</b>
	A	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, including intangible assets	(93.24)	(84.85)
Proceeds from sale of property, plant and equipment	0.59	0.48
Proceeds from sale of current investments	0.45	35.36
Fixed deposits placed with banks	-	(3.10)
Proceeds from fixed deposits	2.59	-
Interest received	0.22	3.30
Purchase of non-current investments	(0.02)	(149.85)
<b>Net cash used in investing activities</b>	<b>(89.41)</b>	<b>(198.66)</b>
	B	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of short term borrowings	(84.39)	(21.23)
Repayment of long term borrowings	(25.32)	-
Proceeds from long term borrowings	61.40	89.80
Proceeds from short term borrowings	69.55	24.46
Interest paid	(13.55)	(4.07)
Dividend paid	(7.16)	(7.30)
Payment of lease liability	(7.10)	(7.68)
<b>Net cash from / (used in) financing activities</b>	<b>(6.57)</b>	<b>73.98</b>
	C	
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>A+B+C</b>	<b>(13.94)</b>
Cash and cash equivalents at the beginning of the year	28.68	28.68
<b>Cash and cash equivalents at the end of the year</b>	<b>14.74</b>	<b>28.68</b>



**Notes:**

- 1) The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meeting held on May 25, 2022.
- 2) The Board of Directors, in their meeting held on May 25, 2022 have recommended a final dividend of ₹ 3 per equity share of face value of ₹ 2 each pre bonus (which translates to ₹ 1 per equity share of face value of ₹ 2 each post bonus), subject to approval by shareholders of the Company.
- 3) Number of Investors complaints (i) opening at the quarter : 0 (ii) received during the quarter : 1 (iii) disposed off : 1 and (iv) pending at the quarter end: 0
- 4) The Company had successfully bid in E-auction sale of certain specified tangible assets of HDO Technologies Limited under IBC, 2016 on March 16, 2021 with bid value of ₹ 58.46 Crore. The Company has concluded the acquisition on April 23, 2021.
- 5) The Company has granted ESOPs to the eligible employees of the Company under "Employee Stock Option Plan 2021" on February 01, 2022 after taking necessary approvals as required under SEBI regulations. The ESOPs have an aggregate fair value of ₹ 2.77 Crore (basis registered valuer report) and have an average expected life of 3 to 3.5 years. Accordingly, the Company has recorded cost of ₹ 0.17 Crore during the quarter and year ended March 31, 2022.
- 6) During the year, the Company has decided to sell some of its properties at Mumbai. Accordingly, these assets are reclassified as "Assets held for sale" at their carrying value as it meets the criteria laid out under Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations. The proceeds of sale are expected to exceed the carrying amount of the related assets and accordingly no impairment loss has been recognised on the reclassification of the said assets.
- 7) The Board of Directors has approved issuance of Bonus Shares in the ratio of 2 Equity Share of ₹ 2 each for every 1 Equity Share of ₹ 2 each held by the shareholders on the record date, subject to shareholders and regulatory approvals.
- 8) As per Ind AS-108 "Operating Segments" issued by the Institute of Chartered Accountants of India, if financial results contains standalone financial results and consolidated financial results, no separate disclosure on segment information is required to be given in the standalone financial results. Accordingly, segment information has been given in the Consolidated Financial Results of the Company.
- 9) The Company has decided to present the results in Crore. Accordingly, the previous periods presented have been converted from Million to Crore.
- 10) The figures of last quarters are the balancing figures between audited figures in respect of full financial year upto March 31, 2022 and March 31, 2021 and unaudited published year to date figures upto December 31, 2021 and December 31, 2020 respectively, being the date of end of third quarter of the respective financial year which were subjected to limited review.



Place : Mumbai  
Date : March 25, 2022



For and on behalf of Board of Directors  
For GMM Pfaunder Limited

Tarak Patel  
Managing Director