GMM Pfaudler
PROCESS SOLUTIONS

GMM PFAUDLER LIMITED

CIN No. : L29199GJ1962PLC001171
Registered Office & Works: Vithal Udyognagar, Karamsad - 388 325, Gujarat
Tel.: 02692-661700, **Fax:** 02692-661888, **Email:** sales@gmmpfaudler.com, **Website:** www.gmmpfaudler.com

Recommendations of the Committee of Independent Directors (IDC) pursuant to Regulation 26 (7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Regulations**") on the Open Offer by Pfaudler US Inc ("**Acquirer**"), Pfaudler S.à.r.l ("**PAC 1**") and Pfaudler, Inc ("**PAC 2**") to the Shareholders of **GMM PFAUDLER LIMITED** as per Public Announcement dated December 18, 2014

1	**Date**	April 2, 2015
2	**Name of the Target Company (TC)**	GMM PFAUDLER LIMITED ("**Target Company**" or "**GMM**" or "**TC**")
3	**Details of the Offer pertaining to TC** The Offer is a mandatory open offer in compliance with Regulations 3(1), 4 and 5(1) of the Regulations and is being made as a result of an indirect acquisition of voting rights in and control over the Target Company by Pfaudler US, Inc the Acquirer. The Offer has been made on account of a transaction under which Pfaudler US, Inc the Acquirer, has become the ultimate holding company of Pfaudler, Inc (which for the purpose of this open offer is a 'person acting in concert' and identified as PAC 2), resulting in an indirect acquisition of control over the Target Company. The transaction involved the acquisition of certain entities owned and controlled by National Oilwell Varco, Inc ("NOV") which includes Pfaudler Inc, an entity owned and controlled by Robbins & Myers Holdings, LLC, the Seller. As part of the transaction, all shares of Pfaudler Inc held by Robbins & Myers Holdings, LLC were acquired by the Acquirer based on the terms and conditions set out in the agreement entered into between the Acquirer and the Seller on December 13, 2014 at Frankfurt, Germany. Pfaudler, Inc as on the date of the Letter of Offer holds 50.44% of the Voting Share Capital of the Target Company. Completion of the transaction on December 30, 2014 has resulted in the change of control of Pfaudler Inc in favour of the Acquirer. A Public Announcement ("**PA**") dated December 18, 2014 was made by Pfaudler US, Inc ("**Acquirer**"), Pfaudler S.à.r.l (PAC 1) and Pfaudler, Inc (PAC 2) announcing the intention of the Acquirer and the PAC's to acquire up to 36,54,375 equity shares representing 25% of the fully diluted voting equity share capital of GMM in terms of the Regulations. The Offer has been made at a price of ₹ 247.54 per share (including interest of ₹ 1.69 per share), payable in Cash.	
4	**Name(s) of the acquirer and PAC with the acquirer**	**Acquirer:** Pfaudler US, Inc **PAC:** Pfaudler S.à.r.l (PAC 1) and Pfaudler, Inc (PAC 2)
5	**Name of the Manager to the Offer**	ICICI Securities Limited
6	**Members of the Committee of Independent Directors**	Mr. P. Krishnamurthy (Chairman), Dr Amrita Patel and Dr. S. Sivaram
7	**IDC Member's relationship with the TC** (Director, Equity shares owned, any other contract / relationship), if any	Mr. P. Krishnamurthy is a non-executive and independent Director and is the Chairman of the Board of Directors of the TC. He does not hold any shares of the TC. Dr Amrita Patel, and Dr S Sivaram are non-executive and independent Directors of the TC. Dr Amrita Patel holds 375 shares of the TC while Dr S Sivaram does not hold any shares of the TC.
8	**Trading in the Equity shares/other securities of the Target Company by IDC Members**	None of the IDC members have traded in the equity shares or other securities of the TC.
9	**IDC Member's relationship with the Acquirer and PAC** (Director, Equity shares owned, any other contract / relationship), if any.	The IDC Members have no relationship with the acquirer or either of the PAC's.
10	**Trading in the Equity shares/other securities of the acquirer by IDC Members**	None of the IDC members have traded in the equity shares or other securities of the Acquirer or either of the PAC's.
11	**Recommendation on the Open offer, as to whether the offer is fair and reasonable**	The IDC believes that the Open Offer is fair and reasonable.
12	**Summary of reasons for recommendation** The IDC has reviewed the Public Announcement ("**PA**") dated December 18, 2014, the Detailed Public Statement ("**DPS**") published on January 7, 2015, the Draft Letter of Offer ("**DLOF**") dated January 14, 2015 and the Letter of Offer dated March 27, 2015. The IDC has taken into consideration the following for making this recommendation: (i) A review of the contents of the PA, DPS, DLOF and Letter of Offer leads the IDC to opine that the offer price offered by the Acquirer and the PAC is in compliance with the Regulations. (ii) The IDC has sought external professional advice from PL Capital Markets Pvt Ltd, who have reviewed and analyzed the open offer and reported to IDC vide their report dated February 9, 2015 and Supplemental report dated March 31, 2015 that the Offer Price is fair and reasonable. Based on the above, the IDC is of the opinion that the Offer Price to the Public Shareholders of the TC is in compliance with the requirements of the Regulations and hence is fair and reasonable. The shareholders of the TC are adviced to independently evaluate the offer and take informed decision whether or not to offer their shares in the Open Offer. This statement of recommendations and the Reports of PL Capital Markets Pvt Ltd will be available on the website of the Company (www.gmmpfaudler.com) under the "Investor relations" section till at least the closure of the Tendering Period.	
13	**Details of Independent Advisors, if any.**	PL Capital Markets Pvt. Ltd, (SEBI Registration number INM000011237) were appointed as Independent Advisors.
14	**Any other matter to be highlighted**	The market price of the shares of GMM was ₹ 307.10 as at the close of trading hours on April 1, 2015, being the immediately preceding trading day.

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the TC under the Regulations.

For **GMM PFAUDLER LIMITED**
Sd/-
P. KRISHNAMURTHY
CHAIRMAN OF THE COMMITTEE OF INDEPENDENT DIRECTORS

Place: Mumbai
Date: April 2, 2015