LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Letter of Offer is sent to you as a shareholder of GMM Pfaudler Limited. If you require any clarifications about the action to be taken, you may consult your stock broker, investment consultant, the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your shares in GMM Pfaudler Limited, please hand over the Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and transfer deed to the member of stock exchange through whom the said sale was affected.

Open Offer ("Offer")

BY

Pfaudler US, Inc ("Acquirer") having its registered office at 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801, USA; Tel: - +1 302 472 9100

along with

Pfaudler Holding S.à r.l. ("PAC 1") having its registered office at 59, Rue de Rollingergrund, L-2440, Luxembourg; Tel : (+352) 28 48 06 40 -1

AND

Pfaudler, Inc ("PAC 2") having its registered office at 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801, United States of America; Tel: (585) 235-1000;

collectively referred to as "**PAC**"

TO ACQUIRE

up to **3,654,375 (Three million six hundred and fifty four thousand three hundred and seventy five)** fully paid-up equity shares of face value of INR 2 (Indian Rupees Two) each **("Equity Shares")**, representing 25% (Twenty five percent) of the fully diluted voting equity share capital **("Voting Share Capital")** as of the 10th (Tenth) Working Day (as defined below) from the Closure of the Tendering Period (as defined below)

OF

GMM Pfaudler Limited ("Target Company"), having its registered office at Vithal Udyognagar, Anand - Sojitra Road, Karamsad - 388 325, Gujarat, India; Tel: +91 2692 661700 / 230416 / 230516; Fax: +91 2692 661888/236467

at a price of INR 247.54 (Rupees Two hundred and forty seven and fifty four paise) per Equity Share **("Offer Price")** payable in cash.

pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto **("SEBI (SAST) Regulations")**.

Note:

1. This Offer is being made by the Acquirer and PAC pursuant to Regulations 3(1), 4 and 5(1) and other applicable regulations of the SEBI (SAST) Regulations.
2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
3. To the best of the knowledge of the Acquirer and the PAC, no statutory approvals are required by the Acquirer or the PAC to complete this Offer. However, in case of any statutory approval being required by the Acquirer or the PAC at a later date, this Offer will be subject to such approvals and the Acquirer or PAC shall make the necessary application for such approvals. Non-resident Indian and overseas corporate body holders of the Equity Shares, must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the Reserve Bank of India) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement (as defined below) and other documents required under this Offer. Further, if holders of the Equity Shares who are not persons in India including NRIs, OCBs foreign institutional investors and foreign portfolio investors had required any approvals (including from the RBI or the Foreign Investment Promotion Board or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer.
4. In the event that any statutory approvals required are not obtained or are finally refused or are otherwise not received for reasons outside the reasonable control of the Acquirer and/or PAC, the Acquirer and/or PAC may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations
5. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
6. If there is any upward revision in the Offer Price or the number of Equity Shares sought to be acquired in this Offer, prior to commencement of the last 3 (Three) Working Days prior to the commencement of the Tendering Period, i.e. up to April 06, 2015, it will be informed by way of a public announcement in the same newspapers where the detailed public statement in relation to this Offer ("**DPS**") appeared. Such revised Offer Price would be payable for all the Equity Shares validly tendered anytime during the Tendering Period. In the event of withdrawal of this Offer, a public announcement will be made within 2 (Two) Working Days of such withdrawal, in the same newspapers in which the DPS is published.
7. If there are competing offers, the public offers under all the subsisting bids shall open and close on the same date. As per the information available with the Acquirer, PAC and the Target Company, no competing bid has been announced as of the date of this Letter of Offer.
8. A copy of the public announcement in relation to this Offer, the detailed public statement, the Draft Letter of Offer and this Letter of Offer are also expected to be made available on SEBI website: www.sebi.gov.in.

Manager to the Offer	Registrar to the Offer
ICICI Securities Limited **ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, India;** **ICICI Bank Tower, 3rd Floor, NBCC Place, Pragati Vihar, Bhisam Pitamah Marg, New Delhi 110003, India;** **Telephone: +91 22 2288 2460,** **Fax: +91 22 2282 6580** **Email: gmmpfaudler.openoffer@icicisecurities.com** **Contact Person: Mr. Ayush Jain/ Mr. Amit Joshi** **SEBI Registration Number: INM000011179**	**Link Intime India Private Limited** **C-13, Pannalal Silk Mills Compound,** **LBS Marg, Bhandup West, Mumbai 400078,** **India, Tel: +91 22 61715400, Fax: +91 22 2596 Email: gmmpfaudler.offer@linkintime.co.in** **Contact Person: Mr. Ganesh Mhatre** **SEBI Registration No: INR000004058**

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER		
Nature of the Activity	**Day and Date as per Draft Letter of Offer**	**Revised Day and Date**
Issue of PA	Thursday, December 18, 2014	Thursday, December 18, 2014
Publication of DPS in newspapers	Wednesday, January 07, 2015	Wednesday, January 07, 2015
Filing of Draft Letter of Offer with SEBI along with soft copies of the PA and DPS	Wednesday, January 14, 2015	Wednesday, January 14, 2015
Last date for a competitive bid*	Thursday, January 29, 2015	Thursday, January 29, 2015
Last date for receipt of comments from SEBI on the Draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager)	Thursday, February 05, 2015	Friday, March 20, 2015
Identified Date**	Monday, February 09, 2015	Tuesday, March 24, 2015
Last date for dispatch of the Letter of Offer to the Eligible Shareholders	Monday, February 16, 2015	Tuesday, March 31, 2015
Last date for upward revision of the Offer Price and/or the Offer Size	Friday, February 20, 2015	Monday, April 06, 2015
Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the Eligible Shareholders of the Target Company for this Offer	Monday, February 23, 2015	Tuesday, April 07, 2015
Publication of advertisement containing announcement of the schedule of activities of this Offer, status of statutory and other approvals, if any, and procedure for tendering acceptances, in the newspapers where the DPS was published and notification to SEBI, BSE and the Target Company at its registered office	Tuesday, February 24, 2015	Wednesday, April 08, 2015
Commencement of tendering period	Wednesday, February 25, 2015	Thursday, April 09, 2015
Closure of tendering period	Wednesday, March 11, 2015	Thursday, April 23, 2015
Last date for payment to Eligible Shareholders	Wednesday, March 25, 2015	Monday, May 11, 2015
Issue of post-offer advertisement	Wednesday, April 01, 2015	Monday, May 18, 2015
Last date for filing of final report with SEBI	Wednesday, April 01, 2015	Monday, May 18, 2015

** There has been no competing offer as of the date of this Letter of Offer.*

***Date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Eligible Shareholders to whom the Letter of Offer shall be sent. It is clarified that all owners (registered or unregistered) of Equity Shares (except the Acquirer, PAC, parties to the Transaction Document and persons deemed to be acting in concert with each of them) are eligible to participate in this Offer at any time prior to the closure of the Tendering Period.*

RISK FACTORS

The risk factors set forth below pertain to this Offer and association with the Acquirer and the PAC and are not in relation to the present or future business operations of the Target Company or other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by an Eligible Shareholder in this Offer, but are merely indicative. Eligible Shareholders are advised to consult their stockbrokers, investment consultants and/or tax advisors, for analysing all the risks with respect to their participation in this Offer. For capitalized terms used herein please refer to the section on Definitions and Abbreviations set out below.

A. Risks relating to this Offer

1. To the best of the knowledge of the Acquirer and the PAC, no statutory approvals are required by the Acquirer or the PAC to complete this Offer. However, in case of any statutory approvals being required by the Acquirer or the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer or the PAC shall make the necessary applications for such approvals. In case of delay in receipt of any such statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PAC agreeing to pay interest to the shareholders for delay beyond 10 (Ten) Working Days, at such rate as may be specified by SEBI. Where the statutory approvals extend to some but not all the Eligible Shareholders, the Acquirer and the PAC will have the option to make payment of the consideration to such Eligible Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

2. The Acquirer and the PAC will have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, if any statutory approval, as may be required, is refused. Furthermore, in case of delay in receipt of any such statutory approvals, this Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Eligible Shareholders whose Equity Shares are validly tendered and accepted in this Offer, as well as the return of Equity Shares not validly tendered and accepted in this Offer, may be delayed.

3. NRI and OCB holders of the Equity Shares must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. In the event such approval are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer. Further, if holders of the Equity Shares who are not persons in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If such previous approvals and/or relevant documents are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non repatriable basis.

4. If: (a) there is any litigation leading to a stay on this Offer; or (b) SEBI instructs the Acquirer and the PAC not to proceed with this Offer, then this Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Eligible Shareholders whose Equity Shares are validly tendered and accepted in this Offer as well as the return of the Equity Shares not validly tendered and accepted in this Offer, may be delayed.

5. Eligible Shareholders who have lodged their acceptance to this Offer are not entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of the Equity Shares in this Offer and dispatch of consideration are delayed.

6. The Registrar to the Offer will hold in trust the Equity Shares held in physical form and in credit of the Depository Escrow Account (as defined below), along with the documents submitted by the Eligible Shareholders, on behalf of the Eligible Shareholders who have tendered their Equity Shares, till the completion of the formalities of this Offer, and the Eligible Shareholders will not be able to trade in such Equity Shares, even if the acceptance of the Equity Shares in this Offer and dispatch of payment consideration are delayed. Further, during such period, there could be fluctuations in the market price of the Equity Shares that may adversely impact the Eligible Shareholders who have tendered their Equity Shares in this Offer. It is understood that the Eligible Shareholders will be solely responsible for their decisions regarding their participation in this Offer.

7. This Offer is an offer to acquire up to 3,654,375 (Three million six hundred and fifty four thousand three hundred and seventy five) Equity Shares, representing 25% (Twenty five percent) of the Voting Share Capital, as of the 10^{th} (Tenth) Working Day from the Closure of the Tendering Period. In the case of over-subscription of this Offer, acceptance will be determined on a proportionate basis (as detailed in paragraph 6.14 below) and hence, there is no certainty that all the Equity Shares tendered by the shareholders in this Offer will be accepted.

8. This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer, the PAC or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.

9. The Eligible Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the PAC do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.

10. The Acquirer and the PAC accept no responsibility for statements made otherwise than in the PA, the DPS, this Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer and the PAC (excluding all information pertaining to the Target Company). Any person placing reliance on any other source of information will be doing so at its own risk.

11. The Manager to the Offer accepts no responsibility for statements made otherwise than in the DPS, this Letter of Offer or in the post issue advertisement or any corrigendum issued by or at the instance of the Acquirer and the PAC. Any person placing reliance on any other source of information will be doing so at its own risk.

B. Risks relating to the Acquirer and the PAC

1. The Acquirer and the PAC make no assurances with respect to their investment and/or divestment decisions relating to their shareholding in the Target Company.

2. The Acquirer and the PAC make no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.

3. The Acquirer and the PAC make no assurances with respect to the market price of the Equity Shares before, during or after this Offer and expressly disclaim their responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in this Offer.

4. As on the date of this Letter of Offer, the total public shareholding in the Target Company is 25% (Twenty five percent) of the total paid up equity share capital of the Target Company.

5. Since PAC 2 has now become the subject matter of a global acquisition by the Acquirer resulting in this Offer, in terms of Regulation 7(4) of the SEBI (SAST) Regulations, if as a result of the Equity Shares accepted in the Offer, the non-public shareholding in the Target Company exceeds the maximum permissible non-public shareholding, the Acquirer and PAC shall be required to bring down the non-public shareholding to the level specified within the time permitted under the SCRR.

C. CURRENCY OF PRESENTATION

1. In this Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

2. In this Letter of Offer, all references to "Rs" /"Rupees" /INR" are references to Indian Rupees.

3. All the data presented in USD in this Letter of Offer have been converted into INR for purpose of convenience translation. The conversion has been assumed at the following rate as on December 17, 2014 (i.e. 1 (One) Working Day prior to the date of the PA) (unless otherwise stated in this Letter of Offer):

   1 USD = INR 63.5813 (Source: Reserve Bank of India - http://www.rbi.org.in)

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DEFINITIONS

Term	Definition
Acquirer	Pfaudler US Inc. having its registered office at 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801, USA.
Board / Board of Directors	Board of directors of the Target Company.
BSE	BSE Limited.
CDSL	Central Depository Services (India) Limited.
Certificate under Section 197	Certificate issued by the income tax authority for payment of consideration and / or interest either without deduction of tax at source or deduction of tax at a lower rate.
Closure of the Tendering Period	The last day by which the Eligible Shareholders may tender their Equity Shares in acceptance of the Offer, i.e. Thursday, April 23, 2015.
Depository Escrow Account	The depository account opened by the Registrar to the Offer with Ventura Securities Limited. The DP ID is IN303116 and the beneficiary client ID is 11552174.
Depositories	CDSL and NSDL.
DP	Depository Participant.
DPS / Detailed Public Statement	Detailed Public Statement dated January 06, 2015, issued by the Manager to the Offer, on behalf of the Acquirer and the PAC, in relation to this Offer and published in the newspapers on January 07, 2015.
Draft Letter of Offer	The Draft Letter of Offer dated January 14, 2015.
DTAA	Double Taxation Avoidance Agreement.
EBITDA	Earnings Before Interest, Tax and Depreciation.
ECS	Electronic Clearing Service.
Eligible Shareholders	All public shareholders of the Target Company excluding the persons acting in concert or deemed to be acting in concert with the Acquirer or PAC.
Equity Shares / Shares	Fully paid-up equity shares of the Target Company, having a face value of INR 2 (Indian Rupees Two) each.
Escrow Agent / Escrow Bank	Deutsche Bank AG, acting through its branch at Deutsche Bank House, Hazarimal Marg, Fort, Mumbai – 400 001
Escrow Amount	The amount deposited by the Acquirer in one or more account(s), having lien marked with an irrevocable right to encash the proceeds in favour of the Manager to the Offer, in compliance with Regulation 17 of the SEBI (SAST) Regulations.
FEMA	Foreign Exchange Management Act, 1999 and subsequent amendments thereto.

Term	Definition
FII(s)	Foreign Institutional Investor(s), as defined under Section 115AD of the Income Tax Act.
FPI	Foreign Portfolio Investor as defined under Regulation 2 (h) of the SEBI (Foreign Portfolio Investors) Regulations, 2014.
FIPB	Foreign Investment Promotion Board.
Form of Acceptance-cum-Acknowledgement	The form of acceptance-cum-acknowledgement, which will be a part of the Letter of Offer.
GAAP	Generally Accepted Accounting Principles.
Identified Date	Tuesday, March 24, 2015 i.e. the date falling on the 10th (Tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Eligible Shareholders to whom the Letter of Offer shall be sent.
Income Tax Act	Income-tax Act, 1961 and subsequent amendments thereto.
Indian GAAP	GAAP, as applicable to Indian companies.
Indian Promoters	Individuals and corporate entities set out in paragraph 4.5.8 of this LOF
KPMG	KPMG AG Wirtschaftsprufungsgesellschaft.
Letter of Offer / LOF	The Letter of Offer, duly incorporating SEBI's comments on the Draft Letter of Offer, including the Form of Acceptance-cum-Acknowledgement.
Manager to the Offer / I-Sec	ICICI Securities Ltd., having its registered office at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, India.
Maximum Consideration	The total funding requirement for this Offer assuming full acceptance of this Offer is INR 904,603,987.50 (Indian Rupees Nine Hundred and Four Million, Six Hundred and Three Thousand, Nine Hundred and Eighty Seven and Fifty paise).
NEFT	National Electronic Funds Transfer.
NRI	Non Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2000.
NSDL	National Securities Depository Limited.
OCB	Overseas Corporate Body, as defined under Foreign Exchange Management (Deposit) Regulations, 2000.
Offer / Open Offer	This open offer, which is being made by the Acquirer and the PAC to the Eligible Shareholders, for acquiring up to 3,654,375 (Three million six hundred and fifty four thousand three hundred and seventy five) fully paid up Equity Shares representing 25% (Twenty five percent) of the Voting Share Capital, as of the 10th (Tenth) Working Day from the Closure of the Tendering Period from the Eligible Shareholders of the Target Company.
Offer Escrow Account	A cash escrow account opened by the Acquirer with the Escrow

Term	Definition
	Agent.
Offer Escrow Agreement	The escrow agreement dated January 01, 2015 entered into amongst the PAC 2, the Manager to the Offer and the Escrow Agent.
Offer Period	The period between December 13, 2014 i.e. the date of execution of the Transaction Document and the date on which the payment of consideration to the Eligible Shareholders whose Equity Shares are validly tendered and accepted in this Offer, is made, or the date on which this Offer is withdrawn, as the case may be.
Offer Price	INR 247.54 (Rupees Two hundred and forty seven and fifty four paise) consisting of an offer price of 245.85 (Rupees Two hundred and forty five and eighty five paise) per Equity Share plus interest computed at the rate of 10% (Ten percent) per annum for the period between December 13, 2014 and the date of publication of the DPS in terms of Regulation 8(12) of SEBI (SAST) Regulations being INR 1.69 (Rupees One and sixty nine paise).
Offer Size	Up to 3,654,375 (Three million six hundred and fifty four thousand three hundred and seventy five) fully paid up Equity Shares representing 25% (Twenty five percent) of the Voting Share Capital as of the 10th (Tenth) Working Day from the Closure of the Tendering Period.
Overseas Tax	Tax payable under the tax laws applicable in overseas jurisdictions.
PA / Public Announcement	Public announcement dated December 18, 2014 in relation to this Offer sent to BSE on December 18, 2014 and filed with SEBI and sent to the Target Company on December 19, 2014.
PAC 1	Person acting in concert with the Acquirer for this Offer, i.e. Pfaudler Holding S.à r.l. having its registered office at 59, Rue de Rollingergrund, L-2440, Luxembourg.
PAC 2	Person acting in concert with the Acquirer for this Offer, i.e. Pfaudler, Inc having its registered office at 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801, United States of America.
PAC	PAC 1 and PAC 2 collectively.
PAN	Permanent Account Number.
PAT	Profit After Tax.
Primary Transaction	The transaction under which the Acquirer has become the ultimate holding company of PAC 2 resulting in an indirect acquisition of control over the Target Company.
RBI	Reserve Bank of India.
Registrar to the Offer	Link Intime India Private Limited having its address at C-13,

Term	Definition
	Pannalal Silk Mills Compound, LBS Marg, Bhandup (W) Mumbai 400078.
RTGS	Real Time Gross Settlement.
SCRR	Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto.
Rs. / Rupees/ INR	Indian Rupees.
RM	Robbins & Myers, Inc.
Seller	Robbins & Myers Holdings, LLC.
Target Company	GMM Pfaudler Limited.
Tax Residence Certificate	Certificate to be furnished by any Shareholder claiming benefit under any DTAA.
Tendering Period	Period commencing from Thursday, April 09, 2015 and closing on Thursday, April 23, 2015 (both days inclusive).
Transaction Document	The agreement entered into between Acquirer and Seller on December 13, 2014 at Frankfurt, Germany.
Voting Share Capital	Fully diluted voting share capital of the Target Company as of the 10th (tenth) working day from the date of closure of the tendering period.
Working Day	A working day of SEBI in Mumbai.

Note: All terms beginning with a capital letter used in this Letter of Offer, and not specifically defined herein, shall have the meanings ascribed to them in the SEBI (SAST) Regulations.

1 DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT IT HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF GMM PFAUDLER LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PAC OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PAC DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER, "ICICI SECURITIES LIMITED" HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 14, 2015 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.

2 GENERAL DISCLAIMER

This Letter of Offer together with the DPS that was published on January 07, 2015 and the PA dated December 18, 2014 in connection with the Offer, has been prepared for the purposes of compliance with the applicable laws and regulations of the SEBI (SAST) regulations. Accordingly the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. Neither the delivery of this Letter of Offer and/or the Letter of Offer, under any circumstances, create any implication that there has been no change in the affairs of the Target Company and the acquirer, the PAC and persons deemed to be acting in concert with the Acquirer, since the date hereof or that the information contained herein is correct as at any time subsequent to this date. Nor is it to be implied that the Acquirer, the PAC or any persons deemed to act in concert with the Acquirer are under any obligations to update the information contained herein at any time after this date.

No action has been or will be taken to permit this offer in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be dispatched to all shareholders whose name appears on the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the Letter of Offer by any shareholder in a jurisdiction in which it would be illegal to make this offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer and/or the Letter of Offer under any local securities laws), shall not be treated by such shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only. Accordingly no such shareholder may tender his, her or its Equity Shares in this Offer.

Persons in possession of the Letter of Offer and/or the Letter of Offer are required to inform themselves of any relevant restrictions. Any shareholder who tenders his, her or its equity shares in this offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.

3 DETAILS OF THIS OFFER

3.1 Background to this Offer

3.1.1 This Offer is a mandatory open offer in compliance with Regulations 3(1), 4 and 5(1) of the SEBI (SAST) Regulations and is being made as a result of an indirect acquisition of voting rights in and control over the Target Company by the Acquirer.

3.1.2 This Offer is being made on account of a Primary Transaction involving the acquisition of certain entities owned and controlled by National Oilwell Varco, Inc which includes PAC 2, an entity owned and controlled by the Seller. As part of the Primary Transaction, all shares of the PAC 2 held by the Seller were acquired by the Acquirer based on the terms and conditions set out in the Transaction Document and covering this Primary Transaction. The PAC 2 as on the date of this Letter of Offer holds 50.44% (Fifty point forty four percent) of the Voting Share Capital of the Target Company. Completion of the Primary Transaction has resulted in the change of control of the PAC 2 in favour of the Acquirer.

3.1.3 The Transaction Document was contracted on December 13, 2014. It has been completed and implemented on December 30, 2014 at Frankfurt.

3.1.4 In terms of Regulation 5(2) of the SEBI (SAST) Regulations, an indirect acquisition where:

(a) the proportionate net asset value of the Target Company, as a percentage of the consolidated net asset value of the entity or business being acquired;

(b) the proportionate sales turnover of the Target Company, as a percentage of the consolidated sales turnover of the entity or business being acquired; or

(c) the proportionate market capitalization of the Target Company, as a percentage of the enterprise value for the entity or business being acquired,

is in excess of 80% (Eighty percent), on the basis of the most recent audited annual financial statements, shall be regarded as a direct acquisition for the purpose of the SEBI (SAST) Regulations.

3.1.5 The Offer was triggered on account of the Primary Transaction pursuant to which the Acquirer has acquired the entire share capital of PAC 2 which in turn holds 50.44% (Fifty point four four per cent) of the Voting Share Capital of the Target Company. Accordingly, the parameters set out above would have to be compared with respect to PAC 2 and the Target Company. In this regard, the relevant calculations for the net asset value, consolidated revenue and market capitalisation for PAC 2 and the Target Company are set out below, which clearly indicates that the aforesaid thresholds set out above are not met.

In INR (million)	Parent (PAC 2)	Target Company	Target / PAC 2 (%)
Net Asset Value	7,788	2,443	31.37%
Sales Turnover	7,522	3,191	42.42%
Market Capitalization of Target Company/ Enterprise Value of PAC 2	7,515	3,594	47.82%

Source: Report by Bansi S. Mehta & Co., Chartered Accountants, dated December 18, 2014

Note:

1. *As per the laws of Delaware, since the PAC 2 was a subsidiary of Seller, PAC 2 was not required to prepare audited consolidated financial statements. Accordingly, the analysis for net asset value and sales turnover is based on combined financial information of PAC 2 and Target Company, as derived from the report by KPMG dated December 08, 2014, as at and for the 12 month period ended August 31, 2014.*

2. *Market capitalization of the Target Company has been calculated based on volume weighted average price of Rs. 245.85 per Equity Share i.e. volume weighted average price for sixty trading days preceding the date on which Primary Acquisition was contracted, being December 13, 2014.*

3.1.6 The enterprise value of the Target Company was derived by making deductions for actual cash as of October 2014 adding debt-like-items, which relates to a portion of cash that was considered as trapped as it would be distributed to other shareholders in a dividend payment.

3.1.7 For entities under the Pfaudler group, other than the Target Company, similar EBITDA multiples were assumed across all companies.

3.1.8 Based on the above analysis, neither of the criteria set out under Regulation 5 (2) of the SEBI (SAST) Regulations are in excess of 80% (Eighty percent), and hence the Primary Acquisition cannot be deemed to be a 'direct acquisition' as per the provisions of the SEBI (SAST) Regulations.

3.1.9 Since the Transaction Document was contracted on December 13, 2014, the PA in respect of the Transaction Document was issued within 4 (Four) Working Days from December 13, 2014 on December 18, 2014 as contemplated under Regulation 13(2)(e) of the SEBI (SAST) Regulations.

3.1.10 Upon completion of the Primary Transaction, the Acquirer has become the ultimate holding company of the PAC 2 resulting in an indirect acquisition of 50.44% (Fifty point four four percent) of the Voting Share Capital held by the PAC 2. Upon completion of the Primary Transaction contemplated in the Transaction Document, the Acquirer holds 100% (One hundred percent) of the issued and paid up share capital of PAC 2. PAC 2, in turn, holds 7,372,475 (Seven million three hundred and seventy two thousand four hundred and seventy five) Equity Shares amounting to

50.44% (Fifty point four four percent) of the Voting Share Capital. PAC 2 is one of the promoters of the Target Company.

3.1.11 Some key features of the Transaction Document are as follows:

(a) Pursuant to the terms of the Transaction Document, PAC 2 has been acquired by the Acquirer and all the property, rights, privileges, immunities, powers and franchises of PAC 2 vest in Acquirer. Therefore, the completion of the Primary Transaction has resulted in the change of control of PAC 2 in favour of the Acquirer. PAC 2 currently owns 7,372,475 (Seven million three hundred and seventy two thousand four hundred and seventy five) Equity Shares of the Target Company which is equivalent to 50.44% (Fifty point forty four percent) of the Voting Share Capital of the Target Company. Thereafter, PAC 2 is acting in concert with the Acquirer and will be acquiring the shares of the Target Company tendered in the Open Offer.

(b) As a result of the above, upon completion of the transactions contemplated in the Transaction Document, PAC 2 has become the wholly owned subsidiary of the Acquirer.

(c) The Transaction Document is governed by English law and all disputes will be finally settled under the Rules of Arbitration of the International Chamber of Commerce.

3.1.12 The proposed indirect acquisition of voting rights in and control by the Acquirer over the Target Company is not through any scheme of arrangement under Indian Laws.

3.1.13 The Acquirer and the PAC have not been prohibited by SEBI, from dealing in securities, in terms of Section 11 B of the SEBI Act or under any of the regulations made under the said act.

3.1.14 As of the date of this Letter of Offer, Mr Darius Shroff, Mr Michael Reed and Mr Sudipta Sengupta are nominee directors of PAC 2 on the Board of Directors of the Target Company. In terms of Regulation 24(4) of the SEBI (SAST) Regulations, no directors representing the Acquirer or the PAC shall participate in any deliberations of the Board of Directors or vote on any matter in relation to this Offer.

3.1.15 The Acquirer and the PAC may appoint their nominees on the Board of Directors during the Offer Period in accordance with the SEBI (SAST) Regulations by depositing 100% of the Maximum Consideration payable under the Offer in the Offer Escrow Account as required under Regulation 24(1) of the SEBI (SAST) Regulations.

3.1.16 As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors is required to constitute a committee of independent directors to provide its reasoned recommendation on this Offer to the Eligible Shareholders. Such recommendation shall be published at least 2 (Two) Working Days before the commencement of the Tendering Period i.e. latest by April 07, 2015, in the same newspapers where the DPS was published in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.

3.2 **Details of this Offer**

3.2.1 The Acquirer and the PAC have published the DPS on January 07, 2015 which appeared in the following newspapers:

Newspaper	Language	Editions
Financial Express	English	All editions
Jansatta	Hindi	All editions
Mumbai Lakshadeep	Marathi	Mumbai edition
Financial Express	Gujarati	Ahmedabad edition

A copy of the DPS is also available on SEBI website: www.sebi.gov.in

3.2.2 This Offer is made by the Acquirer and the PAC to all Eligible Shareholders, to acquire up to 3,654,375 (Three million six hundred and fifty four thousand three hundred and seventy five) Equity Shares, representing 25% (Twenty five percent) of the Voting Share Capital, at a price of INR 247.54 (Rupees Two hundred and forty seven and fifty four paise) per Equity Share, to be paid in cash, in accordance with Regulation 9(l)(a) of the SEBI (SAST) Regulations and subject to the terms and conditions set out in the PA, the DPS and the Letter of Offer.

3.2.3 This Offer for is being made to all the Eligible Shareholders.

3.2.4 As of the date of this Letter of Offer, there are no: (i) partly paid-up Equity Shares; and (ii) outstanding convertible instruments (warrants/fully convertible debentures/ partially convertible debentures) issued by the Target Company. (*Source: BSE website and Target Company Annual Report 2013 -2014*). Further, there is no differential pricing for the Offer.

3.2.5 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. There has been no competing offer as of the date of this Letter of Offer.

3.2.6 To the best of the knowledge of the Acquirer and the PAC, no statutory approvals are required by the Acquirer or the PAC to complete this Offer. However, in case of any statutory approvals being required by the Acquirer or the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer or the PAC shall make the necessary applications for such approvals.

3.2.7 The Acquirer and the PAC will have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event such statutory approvals are refused. In the event of withdrawal of this Offer, a public announcement will be made within 2 (Two) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to BSE, SEBI and the Target Company at its registered office.

3.2.8 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.

3.2.9 The Acquirer and the PAC have not acquired any Equity Shares after the date of PA, i.e. December 18, 2014 and up to the date of this Letter of Offer.

3.3 **Object of the Primary Transaction and this Offer**

3.3.1 The Primary Transaction has resulted in an indirect acquisition of voting rights in and control by the Acquirer over the Target Company for the purposes of the SEBI (SAST) Regulations, requiring the Acquirer to make this Offer to the Eligible Shareholders in accordance with the SEBI (SAST) Regulations.

3.3.2 The Acquirer proposes to continue the existing business of the Target Company as on the date of this Letter of Offer. However, as of the date of this Letter of Offer, the Acquirer cannot ascertain the repercussions, if any, on the employees and locations of the Target Company's places of business.

3.3.3 In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer and PAC do not currently have any intention to alienate, restructure, dispose off or otherwise encumber any assets of the Target Company or any of its subsidiaries in the succeeding 2 (Two) years from the completion of this Offer, except in the ordinary course of business and other than as already agreed, disclosed and/or publicly announced by Target Company. The Board of Directors of the Target Company may in such ordinary course of business take decisions to alienate, restructure, dispose off or transfer of assets of the Target Company in accordance with applicable laws. The Acquirer and PAC undertake that they will not restructure, sell, lease, dispose off or otherwise encumber any substantial assets of the Target Company or any of its subsidiaries other than as stated above in the succeeding 2 (Two) years from the completion of this Offer, except with the prior approval of the shareholders of the Target Company through a special resolution, passed by way of postal ballot.

3.3.4 As on the date of this Letter of Offer, the total public shareholding in the Target Company is 25% (Twenty five percent), of the total paid up equity share capital of the Target Company.

3.3.5 Since the PAC 2 has now become the subject matter of a global acquisition by the Acquirer resulting in this Offer, in terms of Regulation 7(4) of the SEBI (SAST) Regulations, if as a result of the Equity Shares accepted in the Offer, the non-public shareholding in the Target Company exceeds the maximum permissible non-public shareholding, the Acquirer and/or PAC shall be required to bring down the non-public shareholding to the level specified within the time permitted under the SCRR.

4 BACKGROUND OF THE ACQUIRER AND THE PAC

4.1 **Acquirer- Pfaudler US Inc**

4.1.1 The Acquirer was incorporated on October 21, 2014 under the laws of the State of Delaware with file number 5624857. The registered office of the Acquirer is located at 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801, United States of America. Its telephone number is +1 302 472 9100 and fax number is +1 302 4727126. The Acquirer can conduct any business which is considered a lawful act or activity for which a corporation may be organized under the General Corporation Law of Delaware. The name of the Acquirer has never been changed since the date of its incorporation.

4.1.2 The Acquirer is party to the Transaction Document, pursuant to which there has been a change in the indirect shareholding and control of the Target Company. The relationship of the Acquirer with PAC 1 is further detailed in paragraph 4.2 of this Letter of Offer (which contains information relating to PAC 1). The Acquirer does not belong to any one group.

4.1.3 Mr C. Anthony Shippam is the sole director of the Acquirer. Mr C. Anthony Shippam has been the President and CEO of Stewart Management Company, Wilmington, DE and Las Vegas, NV since 2002. He currently serves as the President and Director of Leni Gas & Oil, USA, and is a director of PMI North America – a subsidiary of Petroleos Mexicanos. He is also a director on the board of several funds sponsored by Deutsche Bank, Cohen & Steers, BlackRock, Salient and GreenSquare. He also serves as a director and officer on various single purpose entities. Anthony Shippam is also the Managing Partner of Stewart Law Firm, Wilmington, Delaware and Las Vegas, Nevada since 2006. Anthony Shippam has a Juris Doctor from Widener University School of Law, Wilmington, Delaware, a Master of Business Administration from Florida Institute of Technology and a B.A. – European Integration / International Business from American University. He was appointed on the board of the Acquirer on November 04, 2014.

4.1.4 Pfaudler US Holding Inc is the sole shareholder of the Acquirer and owns all 100 (One hundred) shares of face value of USD 0.01 each. PAC 1 is the ultimate parent of the Acquirer.

4.1.5 Neither the Acquirer nor its director and/or key managerial personnel have any interest in the Target Company.

4.1.6 The authorised, issued and paid up capital of the Acquirer is USD 1 consisting of 100 (hundred) shares of USD 0.01. USD 26,345,800 (United States Dollars Twenty six million three hundred and forty-five thousand eight hundred) is the paid-in share capital which includes the paid up capital of USD 1 and the premium paid towards the shares. The details of which have been set out in para 4.1.11 below.

4.1.7 Post the issue of the PA on December 18, 2014, the Acquirer has not acquired any equity shares of the Target Company.

4.1.8 As on the date of this Letter of Offer, the Acquirer holds 100% (One hundred percent) shares of PAC 2 and PAC 2 in turn holds 50.44% (Fifty point forty four percent) of the Voting Share Capital.

4.1.9 The equity shares of the Acquirer are not listed on any stock exchange.

4.1.10 The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

4.1.11 As the Acquirer has been incorporated on October 21, 2014 audited accounts of the Acquirer have not been prepared as of the date of this Letter of Offer. Latest financial Information of the Acquirer as certified by Cover & Rossister, Certified Public Accountants & Advisors, Delaware:

Profit & Loss Statement	**For the period ending December 31, 2014**	
	USD million	**INR million**
Income from Operations	-	-
Other Income	-	-
Total Income	-	-
Total Expenditure	**4.19**	**266.09**
Profit/(Loss) before Depreciation, Interest & Tax	**(4.19)**	**(266.09)**
Depreciation	-	-
Interest and Finance Charges	-	-
Profit/ (Loss) Before Tax	**(4.19)**	**(266.09)**
Provision for Tax	**-**	**-**
Profit/ (Loss) After Tax	**(4.19)**	**(266.09)**

Balance Sheet	**For the period ending December 31, 2014**	
	USD million	**INR million**
Sources of Funds		
Paid-in Share Capital	26.35	1,675.10
Reserves and Surplus (excluding Revaluation Reserves)	**(4.19)**	(266.09)
Net worth	**22.16**	**1,409.01**
Secured Loans	51.50	3,274.44
Unsecured Loans	-	-
Total	**73.66**	**4,683.45**
Uses of funds		
Net fixed assets	**-**	**-**
Investments	66.22	4,210.50
Net current assets	7.44	472.95
Total miscellaneous expenditure not written off	-	-
Total	**73.66**	**4,683.45**

Other Financial Data	**For the period ending December 31, 2014**	
	USD	**INR**
Dividend (%)	**-**	**-**
Earnings Per Share (EPS) - Basic and Diluted	(41,850)	(2,660,877)

Notes:

1. *All amounts are in millions, except per share data.*
2. *Since the financials of the Acquirer are presented in USD, a conversion of such financials into Indian Rupees has been adopted. The USD to INR conversion has been assumed at the rate of 1 USD = Rs. 63.5813 as on December 17, 2014 (i.e. 1 (One)) working day prior to the date of the PA) (Source: www.rbi.org.in)*

4.1.12 The Acquirer confirms that as on December 31, 2014 it has no major contingent liabilities.

4.1.13 The relevant provisions of Chapter II of the Securities and Exchange Board of India

(Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations are not applicable to the Acquirer with respect to the Target Company since the Acquirer has not directly acquired or sold any Equity Shares.

4.2 **PAC 1 - Pfaudler Holding S.à r.l**.

4.2.1 PAC 1 was incorporated on October 16, 2014 under the laws of Luxembourg with registration number B 191383. The registered office of the Acquirer is located at 59, Rue de Rollingergrund, L-2440, Luxembourg. Its telephone number is (+352) 28 48 06 40 -1 and fax number is (+352) 28 48 06 40 -70. PAC 1 can conduct any business which is considered a lawful act or activity for which a corporation may be organized under the laws of Luxembourg. The name of PAC 1 has not been changed since the date of its incorporation.

4.2.2 PAC 1 has entered into a loan agreement dated December 18, 2014, with the Acquirer, where it has agreed to provide a loan of up to USD 16,000,000 (United States Dollars Sixteen million) (aggregating to INR 1,017,300,800 at exchange rate of INR 63.5813 per USD as on December 17, 2014 (Source: http://www.rbi.org.in)) to fulfill the funding obligations under the Primary Transaction, the Offer and/or any other lawful purpose as may be mutually agreed upon by the Parties.

4.2.3 Mr Stefan Gerhard Lambert and Mr Wolfgang Michael Zettel are the directors of PAC 1 and are not directors on the board of the Target Company.

4.2.4 Wolfgang Zettel has a broad business background and more than 20 years of experience in the financial sector. Wolfgang Zettel is manager and co-founder of Avega S.à r.l., a Luxembourg based independent accounting firm. Previously, he was in charge of the Asia Pacific region including India as the financial director in LuK GmbH and the financial controller at Henkel KGaA. He is currently on the board of managers of PAC 1, Pfaudler Midco S.à r.l. and Pfaudler International S.à r.l. and on the board of several other holding companies. He was appointed to the board of PAC 1 on October 16, 2014.

4.2.5 Stefan Lambert has more than 20 years of experience in the financial sector. Stefan Lambert is a Managing Partner and co-founder of Avega S.a r.l., Grand Duchy of Luxembourg. Previously, he worked with General Electric Fanuc S.A. for ten years and with one of the Big Four auditing firms in Luxembourg for three years. Stefan is currently on the board of PAC 1, Pfaudler Midco S.à r.l. and Pfaudler International S.à r.l. and on the board of several other holding companies. He was appointed to the board of PAC 1 on October 16, 2014.

4.2.6 The details of the key shareholders of PAC 1 are as provided below:

Name of the Shareholder	Number of shares held	Percentage
DBAG Fund VI Konzern (Guernsey) LP	7,261,085	18.76 %
DBAG Fund VI (Guernsey) LP	30,955,165	79.99 %
DBG Advisors VI GmbH & Co KG	483,750	1.25 %
Total	**38,700,000**	100%

4.2.7 Deutsche Beteiligungs AG ("**DBAG**"), indirectly holds 18.76% stake in PAC 1. DBAG Fund VI (Guernsey) LP ("**DBAG Fund VI**"), a private equity fund advised by DBAG, holds 79.99% stake in PAC 1. DBAG does not control or hold any investment in DBAG Fund VI.

4.2.8 DBAG, a private equity company listed on Frankfurt stock exchange, raises closed-end private equity funds and invests along with other DBAG funds in mid-sized companies with growth potential. DBAG's portfolio companies are involved in a wide range of activities such as mechanical engineering, automotive suppliers, industrial services, logistics, building suppliers or measurement and automation technology. As on March 2015, total assets managed and advised by DBAG amount to approximately Euros 1,200,000,000 (Euros One billion two hundred million). For further details about DBAG please refer to https://www.deutsche-beteiligung.de.

4.2.9 DBAG is the managing partner of the advisor ("**Advisor**") to the managing general partner of DBAG Fund VI ("**MGP**"). The Advisor renders investment advisory services relating to the investment activities by DBAG Fund VI. Investment decisions for DBAG Fund VI are taken by the board of directors of MGP consisting of five members as set out below, who are independent of the Advisor or DBAG.

(a) Patrick Jemelen: Chairman, founding partner of Quartus in 1998. Engineer and MBA. He was an investor at Morgan Grenfell, 3i and Suez Group.

(b) Andre Mangin: former member of the board of management of Deutsche Beteiligungs AG

(c) Matt Horton: Director at Aztec Group, qualified accountant, previously worked at J.P. Morgan

(d) Vic Holmes: Qualified accountant and currently Vice Chairman of Exec. Committee of GIFA (Guernsey Investment Fund Association). Previously worked with Baring Asset Management Group and Northern Trust

(e) Jeremy Thompson: Engineer and currently non-executive director of Int. Oil and Gas Technology Ltd. He has prior private equity experience with Novator Private Equity Group and has held executive roles with several companies in technology, media and telecommunication space.

4.2.10 Except for the Target Company, there are no listed companies among DBAG Fund VI portfolio companies.

4.2.11 The issued and paid up capital of PAC 1 is USD 38,700,000 (United States Dollars Thirty eight million seven hundred thousand) consisting of 38,700,000 (Thirty eight million seven hundred thousand) shares of USD 1 each.

4.2.12 The relevant provisions of Chapter II of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations are not applicable to PAC 1 with respect to the Target Company since PAC 1 has not directly acquired or sold any Equity Shares.

4.2.13 Neither PAC 1 nor its directors or key managerial personnel hold any equity shares of or have any interest in the Target Company.

4.2.14 PAC 1 is the indirect shareholder of PAC 2 (the current shareholder of Target Company). As such, PAC 1 owns 100% of Pfaudler MidCo S.à r.l. which owns 100% of Pfaudler International S.à r.l. which holds 100% of Pfaudler UK Limited which holds 100% of Pfaudler US Holding Inc which owns 100% of the Acquirer which ultimately owns 100% of PAC 2.

4.2.15 Post the issue of the PA on December 18, 2014, PAC 1 has not acquired any equity shares of the Target Company.

4.2.16 The equity shares of PAC 1 are not listed on any stock exchange.

4.2.17 PAC 1 has not been prohibited by SEBI from dealing in securities in terms of Section 11 B of SEBI Act or under any of the regulations made under the SEBI Act.

4.2.18 As PAC 1 has been incorporated on October 16, 2014, audited accounts of PAC 1 have not been prepared as of the date of this Letter of Offer. Financial Information of PAC 1 as certified by Deloitte Audit Société à Responsabilité Limitée located at 560, rue de Neudorf, L-2220 Luxembourg, Luxembourg has been provided below:

Profit & Loss Statement	**For the period ending December 31, 2014**	
	USD million	**INR million**
Income from Operations	-	-
Other Income	-	-
Total Income	-	-
Total Expenditure	-	-
Profit/(Loss) before Depreciation, Interest & Tax	-	-
Depreciation	-	-
Interest and Finance Charges	0.40	25.43
Profit/ (Loss) Before Tax	**(0.40)**	**(25.43)**
Provision for Tax	**-**	**-**
Profit/ (Loss) After Tax	**(0.40)**	**(25.43)**

Balance Sheet	**For the period ending December 31, 2014**	
	USD million	**INR million**
<u>Sources of Funds</u>		
Paid in Share Capital	38.70	2,460.60
Reserves and Surplus (excluding Revaluation Reserves)	(0.40)	(25.43)
Net worth	**38.30**	**2,435.16**
Secured Loans	-	-
Unsecured Loans	21.50	1,367.00
Total	**59.80**	**3,802.16**
<u>Uses of funds</u>		
Net fixed assets	-	-

Balance Sheet	For the period ending December 31, 2014	
	USD million	INR million
Investments	38.90	2,473.31
Net current assets	20.90	1,328.85
Total miscellaneous expenditure not written off	-	-
Total	**59.80**	**3,802.16**

Other Financial Data	For the period ending December 31, 2014	
	USD	INR
Dividend (%)	-	-
Earnings Per Share (EPS) - Basic and Diluted	(0.01)	(0.66)

Notes:

1. *All amounts are in millions, except per share data.*
2. *Since the financials of PAC 1 are presented in USD, a conversion of such financials into Indian Rupees has been adopted. The USD to INR conversion has been assumed at the rate of 1 USD = Rs. 63.5813 as on December 17, 2014 (i.e. 1 (One)) working day prior to the date of the PA) (Source: www.rbi.org.in).*

4.2.19 PAC 1 confirms that as of December 31, 2014 PAC 1, it has no major contingent liabilities.

4.3 **PAC 2 - Pflauder Inc, USA**

4.3.1 PAC 2, a company limited by shares, was incorporated on January 31, 1994 under the laws of Delaware. The registered office of PAC 2 is located at 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801, United States of America. Its telephone number is (585) 235-1000 and fax number is (585) 235-7923. PAC 2 was incorporated as Pfaudler (United States) Inc. on January 31, 1994 and the name was changed to Pfaudler, Inc. on March 06, 1995.

4.3.2 PAC 2 is engaged in the business of manufacturing, marketing and selling reactor vessels. Upon completion of the Primary Transaction (defined below) on December 30, 2014 at Frankfurt, Germany, PAC 2 has become part of the group of entities controlled by the Acquirer.

4.3.3 As on the date of this Letter of Offer, PAC 2 is the wholly owned subsidiary of the Acquirer.

4.3.4 The equity shares of PAC 2 are not listed on any stock exchange.

4.3.5 PAC 2 is one of the promoters of the Target Company and holds 7,372,475 (Seven million three hundred, and seventy two thousand four hundred and seventy five) Equity Shares representing 50.44% (Fifty point forty four percent) of the Voting Share Capital of the Target Company. Please note that in the PA dated December 18, 2014, the number of shares held by PAC 2 in the Target Company was inadvertently disclosed to be 7,373,067 (Seven million three hundred and seventy three thousand sixty seven). As per the filings made by the Target Company with the stock exchange, PAC 2 owns 7,372,475 (Seven million three hundred and seventy two thousand four hundred and seventy five) equity shares of the Target Company which represents 50.44 % (Fifty point four four percent) of the Voting Share Capital, which has been reflected in this Letter of Offer and the DPS dated January 07, 2015.

(a) Pursuant to the terms of the Transaction Document, PAC 2 has been acquired by the Acquirer and all the property, rights, privileges, immunities, powers and franchises of PAC 2 vest in Acquirer. Therefore the completion of the Primary Transaction has resulted in the change of control of PAC 2 in favour of the Acquirer. PAC 2 currently owns 7,372,475 (Seven million three hundred and seventy two thousand four hundred and seventy five) Equity Shares of the Target Company which is equivalent to 50.44% (Fifty point forty four percent) of the Voting Share Capital of the Target Company. Thereafter, PAC 2 is acting in concert with the Acquirer and will be acquiring the shares of the Target Company tendered in the Open Offer.

(b) As a result of the above, upon completion of the transactions contemplated in the Transaction Document, PAC 2 has become the wholly owned subsidiary of the Acquirer.

(c) The Transaction Document is governed by English law and all disputes will be finally settled under the Rules of Arbitration of the International Chamber of Commerce.

4.3.6 As of the date of this Letter of Offer, Mr Darius Shroff, Mr Michael Reed and Mr Sudipta Sengupta are nominee directors of PAC 2 on the board of directors of the Target Company.

4.3.7 Mr Andrew C. Wills is the sole director of PAC 2. Mr Andrew C. Wills has been the Managing Director (President) of the Pfaudler Process Solutions Group since April 2009. Prior to his current role, he held the positions of Managing Director of PSG Europe, Middle East and Asia from 2006 to 2009, Managing Director Reactor Systems Group from 2005 to 2006, Vice President Global Manufacture Reactor Systems Group from 2004 to 2005 and Managing Director Robbins & Myers UK 1996 to 2004. He has also held a number of management positions in the areas of operations, sales and marketing within the Pfaudler organization. Before joining Robbins & Myers in 1989 (subsequently part of NOV from February 21 2013 until December 30 2014), he worked for Babcock Power and later Babcock Construction, initially in the design and manufacturing of steam generation plants and latterly in the construction and maintenance of both conventional and nuclear facilities. He has a BSc in Mechanical Engineering from the Open University UK and a HNC in Production Engineering. He was previously the President of the Scottish Engineering Employer's Federation. He was appointed to the board of PAC 2 on December 30, 2014.

4.3.8 The authorized, issued and paid up capital of PAC 2 is USD 1,000 (United States Dollars One thousand) consisting of 1,000 (One thousand) shares of common stock having par value of USD 1 (United States Dollar One). Its paid in capital is USD 46,350,000 (United States Dollars Forty six million three hundred and fifty thousand) which includes the paid up capital of USD 1,000 (United States Dollars One thousand) and the premium paid towards the shares.

4.3.9 As of the date of this Letter of Offer, the Acquirer is the sole shareholder of PAC 2 and owns 1,000 (One thousand) shares of common stock having par value of USD 1 (United States Dollar One) which represents 100% (One hundred percent) of the paid up share capital of PAC 2.

4.3.10 As of the date of this Letter of Offer, Mr Darius Shroff, Mr Michael Reed and Mr Sudipta Sengupta are nominee directors of PAC 2 on the board of directors of the Target Company. Other than this, its shareholding in the Target Company, and being a Promoter of the Target Company, neither PAC 2 nor its directors or key managerial personnel have any interest in the Target Company.

4.3.11 Post the issue of the PA on December 18, 2014, PAC 2 has not acquired any equity shares of the Target Company.

4.3.12 PAC 2 had entered into a shareholders' agreement dated October 06, 1999 with Mr Ashok Patel, an Indian promoter of the Target Company.

4.3.13 RM an affiliate of the Seller and Mr. Ashok Patel (an Indian promoter of the Target Company) have entered into a non-competition agreement dated October 06, 1999, pursuant to which Mr Ashok Patel is restricted from competing with certain businesses of RM, including products sold by the Target Company.

4.3.14 PAC 2 and the Target Company are parties to an agreement dated December 04, 2002, pursuant to which the Target Company is permitted to use PAC 2's technical know-how in certain countries.

4.3.15 PAC 2 has not been prohibited by SEBI from dealing in securities in terms of Section 11 B of SEBI Act or under any of the regulations made under the SEBI Act.

4.3.16 The key combined financial information of PAC 2, as derived from the report by KPMG dated December 08, 2014, as at and for the 12 month period ended August 31, 2014, August 31, 2013 and August 31, 2012, is as follows.

Profit & Loss Statement	**For the period ending August 31, 2012**		**For the period ending August 31, 2013**		**For the period ending August 31, 2014**	
	USD million	**INR million**	**USD million**	**INR million**	**USD million**	**INR million**
Income from Operations	114.53	7,282.22	105.49	6,706.87	118.30	7,521.67
Other Income	0.20	12.40	0.05	3.18	0.30	19.07
Total Income	**114.73**	**7,294.62**	**105.54**	**6,710.05**	**118.60**	**7,540.74**
Total Expenditure	**101.20**	**6,434.55**	**92.08**	**5,854.50**	**100.42**	**6,385.09**
Profit/(Loss) before Depreciation & Amortisation, Interest & Tax	**15.49**	**984.87**	**15.51**	**985.89**	**15.19**	**966.05**
Depreciation & Amortisation	2.16	137.21	2.19	139.37	2.10	133.52
Interest and Finance Charges	0.31	19.52	0.25	15.70	0.23	14.81

Profit & Loss Statement	For the period ending August 31, 2012		For the period ending August 31, 2013		For the period ending August 31, 2014	
	USD million	INR million	USD million	INR million	USD million	INR million
Profit/ (Loss) Before Tax	**12.01**	**763.87**	**12.45**	**791.33**	**12.79**	**813.33**
Provision for Tax	3.94	250.45	2.75	174.78	2.11	134.41
Profit/ (Loss) After Tax	**8.08**	**513.42**	**9.70**	**616.55**	**10.68**	**678.92**

Balance Sheet	For the period ending August 31, 2012		For the period ending August 31, 2013		For the period ending August 31, 2014	
	USD million	INR million	USD million	INR million	USD million	INR million
Sources of Funds						
Paid in Share Capital	32.96	2,095.45	46.19	2,937.01	46.35	2,946.93
Reserves and Surplus (excluding Revaluation Reserves)	31.54	2,005.35	37.26	2,369.17	76.14	4,841.27
Net worth	**64.50**	**4,100.80**	**83.46**	**5,306.18**	**122.49**	**7,788.20**
Secured Loans	-	-	0.13	8.46	-	-
Unsecured Loans	-	-	-	-	-	-
Pension Liabilities	0.65	41.01	0.01	0.38	0.14	8.58
Total	**65.14**	**4,141.81**	**83.59**	**5,315.02**	**122.63**	**7,796.78**
Uses of funds						
Net fixed assets	37.04	2,355.24	35.95	2,285.75	77.07	4,900.27
Investments	0.26	16.34	0.13	8.14	0.14	9.03
Net current assets	27.84	1,770.23	47.52	3,021.13	45.41	2,887.48
Total miscellaneous expenditure not written off	-	-	-	-	-	-
Total	**65.14**	**4,141.81**	**83.59**	**5,315.02**	**122.63**	**7,796.78**

Other Financial Data	For the period ending August 31, 2012		For the period ending August 31, 2013		For the period ending August 31, 2014	
	USD	INR	USD	INR	USD	INR
Dividend (%)	0%	0%	0%	0%	0%	0%
Earnings Per Share (EPS) - Basic and Diluted	8,075	513,419	9,697	616,548	10,678	678,921

Notes:

1. All amounts are in millions, except per share data.

2. Since the financials of PAC 2 are presented in USD, a conversion of such financials into Indian Rupees has been adopted. The USD to INR conversion has been assumed at the rate of 1 USD = Rs. 63.5813 as on December 17, 2014 (i.e. 1 (One)) working day prior to the date of the PA) (Source: www.rbi.org.in).

3. As per the laws of Delaware, Since the PAC 2 was a subsidiary of RM, the financial statements of PAC 2 need not be audited.

4.3.17 As per above financial information of PAC 2 as at August 31, 2014, there are no major contingent liabilities.

4.3.18 Certain filings to be made by the PAC 2 under relevant provisions of Chapter II of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations have either not been complied with or have been delayed, the details of which are listed below:

Sr. No.	Regulation/ Sub-Regulation	Financial year	Year-end/ dividend	Year ended/ Record date	Due date of filing	Actual Date of Compliance	Delay, if any (in No. of days)
1	8(1) & (2)	2004-05	Year end	31.03.2005	21.04.2005	No Evidence, Not complied	No Evidence, Not complied
2	8(1) & (2)	2005-06	Interim dividend	20.05.2005	10.06.2005	No Evidence, Not complied	No Evidence, Not complied
3	8(1) & (2)	"	Interim dividend	05.08.2005	26.08.2005	No Evidence, Not complied	No Evidence, Not complied
4	8(1) & (2)	"	Interim dividend	10.11.2005	01.12.2005	No Evidence, Not complied	No Evidence, Not complied
5	8(1) & (2)	"	Interim dividend	08.02.2006	01.03.2006	No Evidence, Not complied	No Evidence, Not complied
6	8(1) & (2)	"	Year end	31.03.2006	21.04.2006	No Evidence, Not complied	No Evidence, Not complied
7	8(1) & (2)	2006-07	Interim dividend	15.05.2006	05.06.2006	No Evidence, Not complied	No Evidence, Not complied
8	8(1) & (2)	"	Interim dividend	16.08.2006	06.09.2006	No Evidence, Not complied	No Evidence, Not complied
9	8(1) & (2)	"	Interim dividend	31.10.2006	21.11.2006	No Evidence, Not complied	No Evidence, Not complied
10	8(1) & (2)	"	Interim dividend	16.02.2007	09.03.2007	No Evidence, Not complied	No Evidence, Not complied
11	8(1) & (2)	"	Year end	31.03.2007	21.04.2007	No Evidence, Not complied	No Evidence, Not complied
12	8(1) & (2)	2007-08	Interim dividend	11.05.2007	01.06.2007	No Evidence, Not complied	No Evidence, Not complied
13	8(1) & (2)	"	Interim dividend	17.08.2007	07.09.2007	07.09.2007	-
14	8(1) & (2)	"	Interim dividend	16.11.2007	07.12.2007	11.12.2007	4
15	8(1) & (2)	"	Interim dividend	18.02.2008	10.03.2008	07.03.2008	-
16	8(1) & (2)	"	Year end	31.03.2008	21.04.2008	18.04.2008	-
17	8(1) & (2)	2008-09	Interim dividend	02.05.2008	23.05.2008	No Evidence, Not complied	No Evidence, Not complied
18	8(1) & (2)	"	Interim dividend	08.08.2008	29.08.2008	02.09.2008	4
19	8(1) & (2)	"	Interim dividend	07.11.2008	28.11.2008	30.11.2008	2
20	8(1) & (2)	"	Interim dividend	13.02.2009	06.03.2009	01.03.2009	-
21	8(1) & (2)	"	Year end	31.03.2009	21.04.2009	27.04.2009	6
22	8(1) & (2)	"	Interim	13.05.2009	03.06.2009	31.05.2009	-

Sr. No.	Regulation/ Sub-Regulation	Financial year	Year-end/ dividend	Year ended/ Record date	Due date of filing	Actual Date of Compliance	Delay, if any (in No. of days)
			dividend				
23	8(1) & (2)	2009-10	Interim dividend	13.08.2009	03.09.2009	31.08.2009	-
24	8(1) & (2)	"	Interim dividend	31.10.2009	21.11.2009	30.11.2009	9
25	8(1) & (2)	"	Interim dividend	10.02.2010	03.03.2010	01.03.2010	-
26	8(1) & (2)	"	Year end	31.03.2010	21.04.2010	27.04.2010	6
27	8(1) & (2)	"	Interim dividend	12.05.2010	02.06.2010	31.05.2010	-
28	8(1) & (2)	2010-11	Interim dividend	13.08.2010	03.09.2010	31.08.2010	-
29	8(1) & (2)	"	Interim dividend	12.11.2010	03.12.2010	27.11.2010	-
30	8(1) & (2)	"	Interim dividend	11.02.2011	04.03.2011	24.02.2011	-
31	8(1) & (2)	"	Year end	31.03.2011	21.04.2011	14.04.2011	-
32	8(1) & (2)	2011-12	Interim dividend	13.05.2011	03.06.2011	02.06.2011	-
33	8(1) & (2)	"	Interim dividend	17.08.2011	07.09.2011	12.09.2011	5
34	8(1) & (2)	"	Interim dividend	17.11.2011	08.12.2011	10.12.2011	2
35	8(1) & (2)	"	Interim dividend	13.02.2012	05.03.2012	08.03.2012	3
36	8(1) & (2)	"	Year end	31.03.2012	21.04.2012	10.04.2012	-
37	30(1) & 30(2)	2012-13	Year end	31.03.2013	07.04.2013	04.04.2013	-
38	31(1) & 30(2)	2013-14	Year end	31.03.2014	07.04.2014	03.04.2014	-

4.3.19 Pursuant to the Letter of Offer dated April 08, 2014 filed by M/s National Oilwell Varco, Inc along with PAC 2 to acquire 26% (Twenty six percent) of the diluted voting equity share capital of the Target Company ("**Previous Letter of Offer**"), PAC 2 received a notice under Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read with Section 15-I of the SEBI Act bearing Notice No EAD-6/AK/VRP/30733/2013/14 dated November 28, 2013 ("**Notice 1**"), wherein the Adjudicating Officer of SEBI alleged that PAC 2 failed to comply with Regulations 8 (2) of the SEBI (SAST) Regulations for the period commencing from 2004 to 2012. Notice 1 called upon PAC 2 to show cause as to (a) why an inquiry should not be held in terms of Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995; and (b) penalty not be imposed under Section 15 A (b) of the SEBI Act for the alleged non-compliance. As per Notice 1, the penalty that may be levied in such a case would be INR 100,000 (Indian Rupees One hundred thousand) for every day that the contravention continues or INR 10,000,000 (Indian Rupees Ten million). It is possible that SEBI may take action against PAC 2 for the abovementioned non compliances.

4.3.20 In response to Notice 1, PAC 2 through its legal representatives addressed a letter dated July 11, 2014 to the Adjudicating Officer stating that Notice 1 does not contain any material to substantiate the alleged non-compliance and that SEBI did not conduct any independent findings of investigation or inquiry to level such serious allegations. With respect to twelve alleged non-compliances post 2007, information showing PAC 2's compliance with Regulation 8 (2) of the SAST Regulations was provided to SEBI. With respect to eleven alleged non-compliances prior to 2007, it was submitted that non-availability of records of compliance should not imply non-compliance and violation. Regarding, four alleged non-compliances from 2008 to 2011, it was stated that these are in the nature of absence of disproof being conflated to proof of non-compliance. It also states that PAC 2 has completely complied with Clause 35 of the Listing Agreement and therefore, alleged non-compliances under Regulation 8 (2) of the SAST Regulations are not valid.

4.3.21 Further pursuant to the Previous Letter of Offer, PAC 2 received a notice bearing Notice No EAD-6/AK/VRP/30733/2013/3 dated November 28, 2013 ("**Notice 2**") wherein, SEBI observed that a public announcement ought to have been issued in respect to the Merger Agreement dated August 08, 2012 executed between Robbins & Myers Inc and Raven Process Corp whereby /s National Oilwell Varco, Inc acquired the entire share capital of Robbins & Myers Inc. The transaction was completed and implemented on February 20, 2013. As per SEBI's observations, the public announcement ought to have been made four working days from August 08, 2012 while the public announcement was made on February 22, 2013, thereby causing a delay of approximately six and half months. SEBI alleged that this amounted to a violation of Regulation 13 (2) of SEBI (SAST) Regulations by PAC 2. The Notice 2 called upon PAC 2 to show cause as to why an inquiry should not be held in terms of Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 and penalty not be imposed under Section 15 A (b) of the SEBI Act for the alleged non-compliance. As per Notice 2, the penalty that may be levied in such a case would be INR 250,000,000 or 3 times the amount of profits made out of such failure whichever is higher.

4.3.22 In response to Notice 2, PAC 2 through its legal representatives addressed a letter dated March 25, 2014 to the Adjudicating Officer stating that the alleged delay was merely a technical delay. It clarified that the offer was an indirect offer in terms of Regulation 5 of SEBI (SAST) Regulations and therefore, the detailed public statement in case of indirect offers is required to be published only once the underlying transaction is completed. Further, the underlying intent of Regulation 13 (2) of SEBI (SAST) Regulations was fulfilled by intimating the BSE on August 23, 2012 and hence, the delayed public announcement made on February 21, 2013 was merely a procedural formality.

4.3.23 PAC 2 received Notice bearing Notice No EAD-6/AK/VRP/414/2013/2015 dated January 05, 2015 **("Notice 3")** with respect to the Adjudication proceedings in Notice 1 and Notice 2. Notice 3 states that the submissions made vide the above responses to Notice 1 and Notice 2 and during the personal hearing were not taken into account by SEBI. However, SEBI granted PAC 2 with the opportunity to file final / additional submissions on or before January 12, 2015 and granted PAC 2 with an opportunity for personal hearing on January 16, 2015.

4.3.24 SEBI issued order no AK/AO-1-2/2015 dated January 30, 2015 in respect of M/s National Oilwell Varco Inc and PAC 2 in the matter of M/s GMM Pfaudler Limited whereby, M/s National Oilwell Varco Inc and PAC 2 were jointly and severally held liable to pay a monetary penalty of INR 25,00,000 for the delay in filing of the public announcement on their part in relation to the open offer made by M/s National Oilwell Varco Inc and PAC 2 in February 2013. M/s National Oilwell Varco Inc and PAC 2 were required to make this payment within 45 days of the date of the said order and NOV is in the process of completing this payment.

4.3.25 Further pursuant to the abovementioned open offer, National Oilwell Varco Inc and PAC 2, being the acquirer and person acting in concert had failed to bring down the non-public shareholding to the level specified within the time permitted under the SCRR and Regulation 7(4) of SEBI (SAST) Regulations. As on December 12, 2014 the Target Company successfully completed an Offer for Sale of its shares and is now in compliance with the requirements of the SCRR. However, it is possible that SEBI may initiate suitable action against PAC 2 and National Oilwell Varco Inc for the delay in compliance.

4.3.26 Other than as enumerated, PAC 2 has complied with the relevant provisions of Chapter II of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations with respect to the Target Company during the last 10 (Ten) years.

4.3.27 PAC 2 has not been prohibited by SEBI from dealing in securities in terms of Section 11 B of SEBI Act or under any of the regulations made under the SEBI Act.

4.4 **<u>Details of Selling Shareholders, if applicable</u>**

Details of selling shareholder in this case is not applicable as this Offer is an indirect acquisition being made on account of the Transaction Document (defined below) and not as a result of any direct acquisition of Equity Shares, voting rights or control of the Target Company.

4.5 **<u>Details of the Target Company</u>**

4.5.1 The Target Company, a public limited company and having its registered office at Vithal Udyognagar, Anand - Sojitra Road, Karamsad - 388 325, Gujarat, India was incorporated in 1962 under the laws of India. The telephone number of the Target Company is +91 2692 661700 / 230416 / 230516 and fax number is +91 2692 661888 / 236467.

4.5.2 Target Company became a public limited company on November 14, 1963 and changed its name from Gujarat Machinery Manufacturers Private Limited to Gujarat Machinery Manufacturers Limited. In the year 1987, PAC 2 acquired 40% (Forty percent) of the total share capital of the Target Company. PAC 2 increased its shareholding in the Target Company from 40% (Forty percent) to 51% (Fifty one percent) in the year 1999. Consequently, in the year 1999, the name of the Target Company changed from Gujarat Machinery Manufacturers Limited to GMM Pfaudler Limited. The name of the Target Company has not been changed in the last 3 (three) years.

4.5.3 All the Equity Shares are currently listed on BSE (Scrip Code: 505255) (Scrip ID: GMM) (Source: BSE website.) and are currently not suspended from trading on BSE.

As on the date of this Letter of Offer, there are no partly paid up equity shares or any other instruments outstanding, convertible into Equity Shares at a future date.

4.5.4 The Equity Shares are frequently traded on BSE in terms of Regulation 2(l)(j) of SEBI (SAST) Regulations. (Further details provided in Part IV below (Offer Price)).

4.5.5 As of the date of this Letter of Offer, the total authorised share capital of the Target Company is INR 50,000,000 (Indian Rupees Fifty million) consisting of 25,000,000 (Twenty five million) equity shares. The total paid-up share capital of the Target Company is INR 29,235,000 (Indian Rupees Twenty nine million two hundred and thirty five thousand) consisting of 14,617,500 (Fourteen million six hundred and seventeen thousand five hundred) equity shares. As on date, the Target Company does not have any outstanding partly paid-up shares.

4.5.6 The key financial information of the Target Company, as derived from its audited consolidated financial statements as at and for the 12-month period ended March 31, 2014, March 31, 2013 and March 31, 2012 and the interim unaudited standalone financial information, which has been subject to limited review by the Target Company's auditors, as at and for the period ending 30 September 2014, is as follows. The said financials have been prepared in accordance with Indian GAAP.

All figures in INR million

Profit & Loss Statement	6 Months Ended September 30	Financial Year Ended March 31,		
	2014	2014	2013	2012
	Standalone	Consolidated		
Net Income from Operations	1,045.14	2,787.86	2,128.93	2,524.36
Other Income	20.16	38.20	55.14	36.36
Total Income	**1,065.30**	**2,826.06**	**2,184.07**	**2,560.72**
Total Expenditure	**887.57**	**2,455.71**	**1,970.19**	**2,344.59**
Profit/(Loss) before Depreciation, Interest & Tax	**177.73**	**370.35**	**213.88**	**216.13**
Depreciation	43.34	88.95	72.44	63.75
Interest and Finance Charges	2.77	10.55	7.28	11.65
Profit/ (Loss) Before Tax	**131.62**	**270.85**	**134.16**	**140.73**
Tax	45.21	80.23	37.30	41.39
Profit/ (Loss) After Tax	**86.41**	**190.62**	**96.86**	**99.34**

All figures in INR million

Balance Sheet	6 Months Ended September 30	As on March 31,		
	2014	2014	2013	2012
	Standalone	Consolidated		
Sources of Funds				
Paid up Share Capital	29.23	29.23	29.23	29.23
Reserves & Surplus (excluding Revaluation Reserves)	1,207.98	1,360.42	1,163.59	1,114.56
Net worth	**1,237.21**	**1,389.65**	**1,192.82**	**1,143.79**

Balance Sheet	6 Months Ended September 30	As on March 31,		
	2014	2014	2013	2012
	Standalone	Consolidated		
Non-current Liabilities	32.98	46.68	52.67	57.75
Current Liabilities	743.24	910.09	714.64	630.48
Total	**2,013.43**	**2,346.42**	**1,960.13**	**1,832.02**
Uses of funds				
Net fixed assets	357.25	422.56	456.43	455.19
Non-Current Investments	226.82	6.82	6.82	34.36
Long term loans and advances	48.83	46.92	42.83	24.02
Other Non-current Assets	-	119.35	107.86	101.92
Current Investments	110.36	109.64	103.42	50.46
Other Current Assets	1,270.17	1,641.13	1,242.77	1,166.07
Total	**2,013.43**	**2,346.42**	**1,960.13**	**1,832.02**

(In INR, except percentages)

Other Financial Data	6 Months Ended September 30	Financial Year Ended March 31,		
	2014	2014	2013	2012
	Standalone	Consolidated		
Dividend (%)		150%	140%	140%
Earnings Per Share (EPS) - Basic and Diluted	5.91*	13.04	6.63	6.80

**not annualized*

Note: All amounts are in INR millions, except per share data.

4.5.7 Details of the Voting Share Capital as of the date of this Letter of Offer are as follows:

(Source: BSE website)

Paid up equity shares of Target Company	No. of Equity Shares/voting rights	Percentage of Equity Shares/ voting rights
Fully paid up Equity Shares	14,617,500	100
Partly paid up Equity Shares	Nil	Nil
Total paid up Equity Shares	14,617,500	100
Voting Share Capital	**14,617,500**	**100**

4.5.8 The shareholding of the promoters of the Target Company as of January 9, 2015 is as follows:

Sr. No.	Name of the Shareholder	No. of shares held	% of total share capital
1	Pfaudler Inc.	7,372,475	50.44
2	Millars Machinery Company Pvt. Ltd.	1,625,595	11.12
3	Ashok Jethabhai Patel	498,120	3.41
4	Uttarak Enterprise Pvt. Ltd.	406,875	2.78

Sr. No.	Name of the Shareholder	No. of shares held	% of total share capital
5	A. J. Patel HUF	277,235	1.90
6	Ashok J. Patel (A J Patel Charitable Trust)	253,125	1.73
7	Tarak Ashok Patel	173,960	1.19
8	Uttara Ashok Patel	166,995	1.14
9	Urmi Ashok Patel	133,625	0.91
10	Panna Shailendra Patel	33,750	0.23
11	Pragna Satish Patel	16,160	0.11
12	Skyline Millars Limited	4,010	0.03
13	Palomita Shailendra Patel	1,200	0.01
TOTAL		**10,963,125**	**75.00**

4.5.9 Trading of the Equity Shares is not currently suspended on the BSE.

4.5.10 The details of the Board of Directors are set forth below:

Sr. No.	Name	Date of appointment	Designation	Director Identification Number
1.	Mr. P. Krishnamurthy	April 14, 2008	Non Executive & Independent Chairman	00013565
2.	Mr. Ashok J. Patel	January 01, 1988	Managing Director	00165858
3.	Dr. S. Sivaram	June 26, 2003	Non Executive & Independent Director	00009900
4.	Mr. Darius C. Shroff	October 13, 2006	Non Executive Director	00170680
5.	Mr. Tarak A. Patel	January 30, 2007	Executive Director	00166183
6.	Mr. Michael C. Reed	April 24, 2013	Non Executive Director	02246805
7.	Mr. Sudipta Sengupta	July 31, 2013	Non Executive Director	03137467
8.	Dr. Amrita Patel	December 11, 2014	Non Executive and Independent Director	00065052

4.5.11 As of the date of this Letter of Offer, Mr Darius Shroff, Mr Michael Reed and Mr Sudipta Sengupta are nominee directors of PAC 2 on the Board of Directors. In terms of Regulation 24(4) of the SEBI (SAST) Regulations, no directors representing the Acquirer or the PAC 2 shall participate in any deliberations of the Board of Directors or vote on any matter in relation to this Offer.

4.5.12 The Target Company has not been involved in any merger, de-merger, spin-off or hiving off during the last 3 (three) years.

4.5.13 The shareholding pattern of the Target Company before and after this Offer, is as follows:

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition and Offer.		Shares /voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Shares/voting rights to be acquired in Offer (Assuming full acceptance)		Shareholding / voting rights after the acquisition and offer.	
	(A)		**(B)**		**(C)**		**(A)+(B)+(C)**	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
(1) Promoter group								
a. Parties to agreement, if any	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
b. Promoters other than (a) above*	10,963,125	75.00	Nil	Nil	3,654,375	25.00	14,617,500	100.00
Total 1 (a+b)	**10,963,125**	**75.00**	**Nil**	**Nil**	**3,654,375**	**25.00**	**14,617,500**	**100.00**
(2) Acquirers								
a. Main Acquirer	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. PAC	7,372,475	50.44	Nil	Nil	3,654,375	25.00	11,026,850	75.44
Total 2 (a+b)	**7,372,475**	**50.44**	**Nil**	**Nil**	**3,654,375**	**25.00**	**11,026,850**	**75.44**
(3) Parties to agreement other than(1) (a) & (2)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
(4) Public (other than parties to agreement, acquirers & PAC)								
a. FIs/MFs/FIIs/ Banks, SFIs	127,254	0.87	Nil	Nil	(127,254)	(0.87)	Nil	Nil
b. Others	3,527,121	24.13	Nil	Nil	(3,527,121)	(24.13)	Nil	Nil
Total (4)(a+b)	**3,654,375**	**25.00**	**Nil**	**Nil**	**(3,654,375)**	**(25.00)**	**Nil**	**Nil**
GRAND TOTAL (1+2+3+4)	**14,617,500**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**14,617,500**	**100.00**

** includes the holding of PAC 2, which is a promoter of the Target Company*

4.5.14 The Promoters of the Target Company other than Pfaudler Inc (Indian Promoters) received a show cause notice No EAD-6/AK/VRP/30733/2013/ 4 to 13/ 15 & 16 from

SEBI dated November 28, 2013 for non-compliance / delay in compliance of Regulation 8(2) of SEBI SAST Regulations relating to disclosure of shareholdings in the Target Company. In the hearing with SEBI Adjudicating Officers held on January 15, 2014, certain additional information was sought which was provided later. SEBI passed an Adjudication order dated May 30, 2014 against the Indian Promoters for delay in disclosures under Regulation 8(2) of SEBI SAST Regulations aggregating to INR 13,150,000 (Indian Rupees Thirteen million one hundred and fifty thousand). An appeal has been filed in the SEBI Appellate Tribunal (SAT) against the said Adjudication Order in July 2014. The final hearing of the appeal was to be held on February 02, 2015. However the matter has now been adjourned to April 23, 2015.

5 OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer Price

5.1.1 The Equity Shares are listed on BSE.

5.1.2 The trading turnover of the Equity Shares, based on the trading volume in the Equity Shares on the BSE during December 01, 2013 to November 30, 2014 (12 calendar months preceding the month in which the PA ought to be issued) was as under:

Stock Exchange	Number of Equity Shares traded	Total number of listed Equity Shares	Trading turnover(as a percentage of the total listed Equity Shares)
BSE	4,140,349	14,617,500	28.32%

(Source for BSE trading information: BSE website.)

For the purpose of determining whether or not the Equity Shares are frequently traded, share trading data has been taken for the twelve month period prior to the month in which the public announcement ought to have been made under Regulation 13(2)(e) of the SEBI (SAST) Regulations.

5.1.3 Therefore, in terms of Regulation 2(l)(j) of the SEBI (SAST) Regulations, the Equity Shares are frequently traded on BSE.

5.1.4 The Offer Price of INR 247.54 (Rupees Two hundred and forty seven and fifty four paise) per Equity Share is justified in terms of Regulations 8(3) of SEBI (SAST) Regulations, in view of the following:

(a)	Highest negotiated price per Equity Share, if any, of the Target Company for any acquisition under the Primary Transaction	Not Applicable
(b)	Volume-weighted average price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with the Acquirer, during the fifty-two weeks immediately preceding December 13, 2014 (being the earlier of the date on which the Primary Transaction is contracted, and the date on which the intention or the decision to enter into the Primary Transaction is announced in the public domain)	Not Applicable
(c)	Highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with the Acquirer,	Not Applicable

	during the twenty-six weeks immediately preceding December 13, 2014 (being the earlier of the date on which the Primary Transaction is contracted, and the date on which the intention or the decision to enter into the Primary Transaction is announced in the public domain)	
(d)	Highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with the Acquirer, between December 13, 2014 (being the earlier of the date on which the Primary Transaction is contracted, and the date on which the intention or the decision to enter into the Primary Transaction is announced in the public domain) and the date of the PA.	Not Applicable
(e)	Volume-weighted average market price of the Equity Shares for a period of 60 trading days immediately preceding December 13, 2014 (being the earlier of the date on which the Primary Transaction is contracted, and the date on which the intention or the decision to enter into the Primary Transaction is announced in the public domain) as traded on the BSE.	INR 245.85 per Equity Share
(f)	Per Equity Share value, as required under Regulation 8(5) of SEBI (SAST) Regulations. *(See Note 2 below)*	INR 211.40 per Equity Share*

** Source: Report dated December 18, 2014 from Bansi S.Mehta & Co., Chartered Accountants*

Note:

In terms of Regulation 8(12) of the SEBI (SAST) Regulations, in case of an indirect acquisition other than indirect acquisition referred in Regulation 5(2) of SEBI (SAST) Regulations, the offer price shall stand enhanced by an amount equal to 10% (Ten percent) per annum for the period between the earlier of the date on which the primary acquisition is contracted or the date on which the intention or the decision to make the primary acquisition is announced in the public domain, and the date of the detailed public statement, provided that such period is more than 5 (Five) Working Days.

Bansi S. Mehta & Co., Chartered Accountants, Merchant Chamber, 3rd Floor, 41, New Marine Lines, Mumbai - 400 020, in its report dated December 18, 2014, had confirmed the aforementioned computation of the offer price mentioned in the PA.

The Transaction Document was executed on December 13, 2014 and the first announcement with respect to the Primary Agreement was made on December 16, 2014. The Primary Transaction contemplated in the Transaction Document closed on December 30, 2014 at Frankfurt, Germany at 9.22 pm (1.52 am as on 31 December 2014 as per Indian Standard Time). The Offer Price has been enhanced by an interest component, which has been calculated from December 13, 2014 and January 07, 2015, being the date of publication of the DPS. The interest works out to INR 1.69 (Rupees One and sixty nine paise) per Equity Share. Accordingly, the Offer Price including interest works out to INR 247.54 (Rupees Two hundred and forty seven and fifty four paise). Therefore, in terms of Regulation 8(3) of the SEBI (SAST) Regulations, the Offer Price INR 247.54 (Indian Rupees Two hundred forty seven point fifty four paise) per Equity Share is justified.

Note 2:
In terms of Regulation 8(5) of the SEBI (SAST) Regulations, an indirect acquisition where:

1. *the proportionate net asset value of the Target Company, as a percentage of the consolidated net asset value of the entity or business being acquired;*
2. *the proportionate sales turnover of the Target Company, as a percentage of the consolidated sales turnover of the entity or business being acquired; or*
3. *the proportionate market capitalization of the Target Company, as a percentage of the enterprise value for the entity or business being acquired,*

is in excess of 15% (Fifteen percent), on the basis of the combined financial statements for PAC 2 and Target Company as on and for the period ended August 31, 2014 , the Acquirer is required to compute and disclose the per Equity Share value of the Target Company.

The Offer was triggered on account of the Transaction Document pursuant to which the Acquirer has acquired the entire share capital of PAC 2 , which in turn holds 50.44% (Fifty point four four percent) of the voting share capital of the Target Company.

Accordingly, the parameters set out above would have to be compared with respect to PAC 2 and the Target Company. In this regard, the calculations for the relevant parameters for PAC 2 and the Target Company have been set out above at paragraph 5.1.4, which clearly indicate that the 15% (Fifteen percent) threshold set out above is met.

The valuation for Target Company was agreed with the Seller in July 2014, and was based on the price for Target Company shares in July 2014 and purchase price negotiations for the Pfaudler process solutions group, resulting in a valuation of the minority stake of US$24.5m (corresponding to a stake of 49.56% or 7,245,025 shares). Considering this valuation, the implied equity value for 100% of the Equity of Target Company is US$49.5m, or US$3.39 per share (or INR 211.40 per share based on the exchange rate of 62.4422 INR/US$ as of 12 December 2014).

Calculation of the volume-weighted average market price of Equity Shares for a period of sixty trading days immediately preceding December 13, 2014 as traded on the BSE as per Regulation 8(3)(e) of the SEBI (SAST) Regulations is as follows:

Sr. No.	Date	Total Traded Equity Shares	Total Turnover (INR)	VWAP (INR)
1	September 11, 2014 to December 12, 2014	1,029,515	253,100,228	245.85

Source: www.bseindia.com

5.1.5 Bansi S.Mehta & Co., Chartered Accountants, located at Merchant Chambers, 3rd Floor, 41, New Marine Lines, Opp SNDT Women University, Mumbai-20, in its report dated December 18, 2014, has confirmed the above mentioned computation.

5.1.6 There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. (Source: BSE website)

5.1.7 There has been no revision in the Offer Price or to the Offer Size as of the date of this Letter of Offer.

5.1.8 In the event of acquisition of the Equity Shares by the Acquirer and/or PAC during the Offer period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer and PAC shall not acquire any Equity Shares after the 3rd (Third) Working Day prior to the commencement of the tendering period of this Offer and until the expiry of the tendering period of this Offer.

5.1.9 An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last 3 (Three) Working Days before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and PAC shall: (i) make a public announcement in the same newspapers in which the DPS has been published; and (ii) simultaneously with the issue of such announcement, inform BSE, SEBI and the Target Company at its registered office of such revision.

5.2 **Financial Arrangement**

5.2.1 The total funding requirement for this Offer assuming full acceptance of this Offer is INR 904,603,987.50 (Indian Rupees Nine Hundred and Four Million, Six Hundred and Three Thousand, Nine Hundred and Eighty Seven and Fifty paise).

5.2.2 The Acquirer and PAC have made firm financial arrangements for fulfilling the payment obligations under this Offer, in terms of Regulation 25(1) of the SEBI Takeover Regulations, and the Acquirer and PAC are able to implement this Offer. PAC 1 and the Acquirer have entered into a loan agreement dated December 18, 2014, with the Acquirer, where it has agreed to provide a loan of up to USD 16,000,000 (United State Dollars Sixteen million) (aggregating to INR 1,017,300,800 (Indian Rupees One billion seventeen million three hundred thousand eight hundred) at exchange rate of INR 63.5813 per USD as on December 17, 2014 (Source: http://www.rbi.org.in)) to fulfill the funding obligations under the Primary Transaction, the Offer and/or any other lawful purpose as may be mutually agreed upon by the Parties.

5.2.3 In accordance with Regulation 17 of the SEBI (SAST) Regulations PAC 2, Escrow Agent, and the Manager have entered into the Offer Escrow Agreement. The PAC 2 has furnished an unconditional, irrevocable and on demand bank guarantee dated January 05, 2015 in favour of the Manager to the Offer from Deutsche Bank AG, acting through its branch at ECE House, 28 KG Marg, New Delhi – 110 001, having bank guarantee No: 796BGG1402422 for an amount of INR 226,300,000 (Indian Rupees Two hundred and twenty six million three hundred thousand) and is valid up to May 31, 2015 (the “**Bank Guarantee**”) in terms of Regulation 17(3)(b) of the SEBI Takeover Regulations, which is more than the minimum prescribed amount of 25%

of the Offer Size calculated in accordance with Regulation 17(1) of the SEBI (SAST) Regulations. The Manager to the Offer has been duly authorised to realize the value of the Bank Guarantee in terms of the SEBI Takeover Regulations. Further, the PAC 2 has opened the Offer Escrow Account with the Escrow Agent, at its branch at Deutsche Bank House, Hazarimal Marg, Fort, Mumbai – 400 001 and deposited a sum of INR 9,046,040 (Indian Rupees Nine million forty six thousand forty) in the Escrow Account being equal to the amount required under Regulation 17(4) of the SEBI (SAST) Regulations (i.e. 1% (one per cent) of the Maximum Consideration). The Manager to the Offer has been authorized by the Acquirer to operate and realize the monies lying to the credit of the Escrow Account in terms of the SEBI (SAST) Regulations.

5.2.4 In case of any upward revision in the Offer Price or the Offer Size, the Bank Guarantee amount and/or the cash in the Offer Escrow Account shall be enhanced as per the revised consideration calculated at such revised offer price by the Acquirer and/or PAC, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

5.2.5 The source of funds to meet the obligations of the Acquirer and PAC 2 under the Offer has been met from funds made available by PAC 1 to PAC 2 by virtue of the Loan Agreement executed between PAC 1 and the Acquirer dated December 18, 2014.

5.2.6 Bansi S. Mehta & Co., Chartered Accountants, Merchant Chamber, 3rd Floor, 41, New Marine Lines, Mumbai - 400 020 has confirmed, by way of a certificate dated December 18, 2014, that the Acquirer and PAC have adequate financial resources through verifiable means available for meeting their obligations under the SEBI (SAST) Regulations for a value up to the Maximum Consideration.

5.2.7 On the basis of the aforesaid financial arrangements and the Chartered Accountants' Certificate, the Manager is satisfied about the ability of the Acquirer and PAC to implement this Offer in accordance with the SEBI (SAST) Regulations and confirms that adequate funds are available with the Acquirer and PAC through verifiable means to implement this Offer.

6 TERMS AND CONDITIONS OF THIS OFFER

6.1 This Offer is being made by the Acquirer and the PAC to (i) all the Eligible Shareholders, whose names appear in the register of members of the Target Company as of the close of business on Tuesday, March 24, 2015, i.e. the Identified Date; (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on Tuesday, March 24, 2015, i.e. the Identified Date; and (iii) those persons who acquire the Equity Shares any time prior to the date of the Closure of the Tendering Period for this Offer, Thursday, April 23, 2015, but who are not the registered Eligible Shareholders.

6.2 This Offer is being made by the Acquirer and the PAC to all the Eligible Shareholders, to acquire up to 3,654,375 (Three million six hundred and fifty four thousand three hundred and seventy five) Equity Shares, representing 25% (Twenty Five percent) of the Voting Share Capital as of the 10th (Tenth) Working Day from the Closure of the Tendering Period, subject to the terms and conditions mentioned in the PA, the DPS and the Letter of Offer.

6.3 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.

6.4 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

6.5 There has been no revision in the Offer Price or the Offer Size as of the date of this Letter of Offer. In the event of acquisition of the Equity Shares by the Acquirer or any of the PAC during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer and the PAC shall not acquire any Equity Shares after the 3rd (Third) Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.

6.6 An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last 3 (three) Working Days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PAC shall: (i) make a public announcement in the same newspapers in which the DPS has been published; and (ii) simultaneously with the issue of such announcement, inform the BSE, SEBI and the Target Company at its registered office.

6.7 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgment constitute an integral part of the terms of this Offer.

6.8 Accidental omission to dispatch this Letter of Offer to any Shareholder to whom this Offer has been made or non-receipt of this Letter of Offer by any such Shareholder shall not invalidate this Offer in any way.

6.9 Each Eligible Shareholder to whom this Offer is being made is free to offer the Equity Shares in whole or in part while accepting this Offer.

6.10 The Eligible Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances. The Acquirer or the PAC shall acquire the Equity Shares that are validly tendered and accepted in this Offer, together with all rights attached thereto, including the rights to dividends, bonuses and rights offers declared thereof.

6.11 The acceptance of this Offer is entirely at the discretion of the Eligible Shareholders. The Acquirer and the PAC will not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the Eligible Shareholders are advised to adequately safeguard their interests in this regard.

6.12 The acceptance of this Offer must be unconditional, absolute and unqualified and should be sent with the attached Form of Acceptance-cum-Acknowledgement duly filled in, signed by the applicant Shareholder(s), which should be received by the Registrar to the Offer at the address mentioned below on or before 5:00pm on Thursday, April 23, 2015, i.e. Closure of the Tendering Period. If any change or modification is made to the Form of Acceptance-cum-Acknowledgement or if any condition is inserted therein by the Shareholder, the Manager to the Offer, the Acquirer and the PAC reserve the right to reject the acceptance of this Offer by such Shareholder.

6.13 The Eligible Shareholders who have accepted this Offer by tendering their Equity Shares and requisite documents in terms of the PA, DPS and this Letter of Offer are not entitled to withdraw such acceptance during the Tendering Period for this Offer.

6.14 If the Equity Shares tendered in this Offer by the Eligible Shareholders are more than the Equity Shares to be acquired in this Offer, the acquisition of the Equity Shares from each Shareholder will be on a proportionate basis as detailed below.

6.15 To the best of the knowledge of the Acquirer and PAC, the Target Company has no Equity Shares that are currently locked-in. (*Source: BSE website*)

7 STATUTORY & OTHER APPROVALS

7.1 To the best of the knowledge of the Acquirer and the PAC, no statutory approvals are required by the Acquirer or the PAC to complete this Offer except from RBI with respect to shares tendered by non resident shareholders, details of which have been set out below. In case of any statutory approvals being required by the Acquirer or the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer and/or the PAC shall make the necessary applications for such approvals. If however such statutory approvals are not obtained within the prescribed time, the Acquirer and PAC shall follow the process set out under Regulation 23 of the SEBI (SAST) Regulations and withdraw the Offer in the manner prescribed.

7.2 NRI and OCB holders of the Equity Shares, must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI, since the Equity Shares validly tendered and accepted in this Offer may be acquired by a non-resident entity) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer. Further, if the Eligible Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to accept this Offer. If, the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and whether on repatriable basis or non repatriable. In the event such approvals are not submitted, the Acquirer and the PAC reserves the right to reject such Equity Shares tendered in this Offer.

7.3 In case of delay in receipt of any such statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PAC agreeing to pay interest to the Eligible Shareholders for delay beyond 10 (ten) Working Days at such rate, as may be specified by SEBI. Provided where the statutory approvals extend to some but not all Eligible Shareholders, the Acquirer and the PAC will have the option to pay consideration to such Eligible Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

7.4 The Acquirer and the PAC have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals indicated above are refused. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to SEBI, BSE and to the Target Company at its registered office.

8 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER

8.1 The Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be mailed to the Eligible Shareholders, whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective Depositories, as of the close of business on Tuesday, March 24, 2015, i.e. the Identified Date.

8.2 The Eligible Shareholders can also download the Letter of Offer and the Form of Acceptance-cum- Acknowledgement from SEBI website at www.sebi.gov.in or obtain it from the Registrar to the Offer, and send in their acceptances to the Registrar to the Offer by filling the same.

8.3 The Eligible Shareholders who wish to accept this Offer can hand-deliver the Form of Acceptance-cum- Acknowledgement along with the other documents required to accept this Offer, at any of the collection centers mentioned below so as to reach the Registrar to the Offer during business hours on or before 5 pm on Thursday, April 23, 2015, i.e. Closure of the Tendering Period, in accordance with the procedure as set out in this Letter of Offer.

Collection Center	Name and Address of the Collection Center	Contact Person	Mode of Delivery	Tel No	Fax No.	Email Id
Mumbai	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078.	Ganesh Mhatre	Hand Delivery & Registered Post	022-61715400	022-25960329	gmmpfaudler.offer@linkintime.co.in
Ahmedabad	Link Intime India Pvt. Ltd, 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad – 380009	Hitesh Patel	Hand Delivery	079-2646 5179	079-2646 5179 (Telefax)	ahmedabad@linkintime.co.in
Kolkata	Link Intime India Pvt. Ltd, 59C,Chowringhee Road, 3rd Floor, Kolkata -700020	S.P. Guha	Hand Delivery	033-22890539/40	033-22890539/40 (Telefax)	kolkata@linkintime.co.in
New Delhi	Link Intime India Pvt. Ltd., 44 Community Centre, 2nd Floor, Nariana Industrial Area, Phase I, Near PVR, Nariana, New Delhi 110 028	Swapan Naskar	Hand Delivery	011-41410592/93/94	011-41410591	delhi@linkintime.co.in
Chennai	C/o SGS Corporate Solutions	Solly	Hand	044-	044-	chennai@sasp

Collection Center	Name and Address of the Collection Center	Contact Person	Mode of Delivery	Tel No	Fax No.	Email Id
	India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai- 600 017	Soy	Delivery	28152672 044-42070906	28152672 (Telefax)	artners.com

All of the centers mentioned above will be open on all business hours from 10.00 am to 5 pm (except Saturdays, Sundays and Public Holidays)

8.4 The Equity Shares and all other relevant documents should only be sent to the Registrar to the Offer and not to the Manager to the Offer, the Acquirer, the PAC or the Target Company.

8.5 Applicants who cannot hand deliver their documents at any of the collection centers referred to above, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address: Link Intime India Private Limited, Unit : GMM Pfaudler Ltd - Open Offer, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078 so as to reach the Registrar to the Offer on or before 5 pm on Thursday, April 23, 2015, i.e. Closure of the Tendering Period.

8.6 **<u>Eligible Shareholders who are holding Equity Shares in physical form:</u>**

8.6.1 The Eligible Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer will be required to duly complete, sign and send the Form of Acceptance-cum-Acknowledgement in accordance with the instructions contained therein, by sole/joint Eligible Shareholders whose name(s) appears on the Equity Share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer. Original Equity Share certificate(s) and valid transfer deed(s), duly completed and signed, in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance-cum- Acknowledgement along with self attested copy of PAN Card of all the transferors are required to be submitted.

8.6.2 Valid transfer deed(s) should be duly signed as transferor(s) by the sole/joint Shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. The transfer deed(s) should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the transfer deed(s)) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank.

8.6.3 Notwithstanding that the signature(s) of the transferor(s) has been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such Equity Shares are liable to be rejected in this Offer.

8.6.4 For Equity Shares held in physical mode by resident Eligible Shareholders, in case of non-receipt of the duly completed Form of Acceptance-cum-Acknowledgement, but receipt of other documents including the original share certificates, valid share transfer deeds and PAN, prior to the Closure of the Tendering Period, the Acquirer may, in its sole discretion, deem the Equity Shares to have been accepted under the Offer.

8.7 **Eligible Shareholders who are holding Equity Shares in dematerialized form:**

8.7.1 Beneficial owners (holders of Equity Shares in dematerialized form) who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favor of the Depository Escrow Account. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein, by the sole/joint Shareholder(s) whose name appears in the beneficiary account and in the same order therein. The Form of Acceptance-cum-Acknowledgement has to be executed by the beneficial holder of the Equity Shares only.

8.7.2 The Registrar to the Offer has opened a special depository account with Ventura Securities Limited called "**LIIPL GMM PFAUDLER LTD OPEN OFFER ESCROW DEMAT ACCOUNT**". The Eligible Shareholders are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Depository Escrow Account:

Depository Participant Name	Ventura Securities Limited
DP ID	IN303116
Client ID	11552174
Account Name	LIIPL GMM PFAUDLER LTD OPEN OFFER ESCROW DEMAT ACCOUNT
Depository	National Securities Depository Limited

8.7.3 It is the sole responsibility of the Shareholder to ensure credit of its Equity Shares in the Depository Escrow Account, on or before 5 pm on Thursday, April 23, 2015, i.e. Closure of the Tendering Period.

8.7.4 The Eligible Shareholders having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favor of the Depository Escrow Account with NSDL.

8.7.5 The Form of Acceptance-cum-Acknowledgement in respect of dematerialized Equity Shares not credited to the Depository Escrow Account before the Closure of the Tendering Period is liable to be rejected.

8.7.6 For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgement.

8.7.7 For Equity Shares held in dematerialized form by resident Eligible Shareholders, in case of non-receipt of the duly completed Form of Acceptance-cum-

Acknowledgement/ photocopy of the delivery instruction/ other documents required, but receipt of the Equity Shares in the Depository Escrow Account prior to the Closure of the Tendering Period, the Acquirer may, in its sole discretion, deem the Equity Shares to have been accepted under the Offer

8.8 **Eligible Shareholders who have sent their Equity Shares for dematerialization:**

8.8.1 The Eligible Shareholders who have sent their Equity Shares for dematerialization who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Shareholder's DP, in accordance with the instructions mentioned in this Letter of Offer. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein by the sole/joint Shareholder(s) whose name appears on the share certificates and in the same order and as per the specimen signature lodged with the Target Company.

8.8.2 Such Eligible Shareholders need to ensure that the process of getting their Equity Shares dematerialized is completed in time for the credit in the Depository Escrow Account, to be received on or before 5 pm on Thursday, April 23, 2015, i.e. Closure of the Tendering Period, or else their application will be rejected. Alternatively, if the Equity Shares sent for dematerialization are yet to be processed by the Shareholder's DP, the Shareholder can withdraw its dematerialization request and tender the Equity Share certificate(s) in this Offer as per the procedure mentioned in this Letter of Offer.

8.9 Unregistered Eligible Shareholders can also send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, distinctive numbers, folio number, together with the original Equity Share certificates, valid transfer deed(s) and the original contract note(s) issued by the broker through whom they acquired their Equity Shares, either by hand delivery or by registered post, so that the same are received on or before 5 pm on Thursday, April 23, 2015, i.e. Closure of the Tendering Period. Valid share transfer deeds, as received from the market, duly executed in favour of the unregistered owner(s) as the proposed transferee(s) along with self attested copy of PAN card of all the transferees, should be submitted along with the application. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance. An additional valid share transfer deed should be duly signed by the unregistered owner(s) as transferor(s) by the sole/joint Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer form should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank. No indemnity is required from the unregistered Eligible Shareholders. In case the Equity Share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the Equity Share certificate(s) and the transfer deed(s). The Eligible Shareholders should ensure that the Equity Share certificate(s) and above documents reach the designated collection centre on or before 5 pm on Thursday, April 23, 2015 i.e. Closure of the Tendering Period.

8.10 The Eligible Shareholders should also provide all relevant documents, which are necessary to ensure transfer of the Equity Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

8.10.1 duly attested death certificate and succession certificate/probate/letter of administration (in case of single Shareholder) if the original Shareholder is no more;

8.10.2 duly attested power of attorney if any person apart from the Shareholder has signed the application form and/or transfer deeds;

8.10.3 in case of companies, the necessary corporate authorization (including certified copy of board resolutions) and specimen signatures of authorized signatories;

8.10.4 banker's certificate certifying inward remittances of funds for acquisition of Equity Shares; and

8.10.5 any other relevant documents.

8.11 In case of non-receipt of this Letter of Offer, the eligible persons may send their acceptance to this Offer to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers, folio number, together with the documents as mentioned above so as to reach the Registrar to the Offer on or before 5 pm on Thursday, April 23, 2015, i.e. Closure of the Tendering Period, or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the Depository Escrow Account, so as to reach the Registrar to the Offer, on or before 5 pm on Thursday, April 23, 2015, i.e. Closure of the Tendering Period. In case of physical Equity Shares, original Equity Share certificate(s) and valid transfer deed(s), duly completed and signed, will also have to be submitted. The Eligible Shareholders who have lodged their Equity Shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of the Equity Shares. Eligible Shareholders who have sent their Equity Shares for dematerialization/ re-materialization need to ensure that the process of getting Equity Shares dematerialized/ rematerialized is completed well in time so that the credit in the Depository Escrow Account is received or physical Equity Share certificates are received by the Registrar to the Offer on or before 5 pm on Thursday, April 23, 2015, i.e. Closure of the Tendering Period, else their application would be rejected.

8.12 NRI and OCB holders of the Equity Shares, must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI, since the Equity Shares validly tendered and accepted in this Offer may be acquired by a non-resident entity) and submit such approvals along with the Form of acceptance-cum-Acknowledgement and other documents required to accept this Offer.

8.13 Further, if the Eligible Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to accept this Offer. If, the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and whether on repatriable basis or non repatriable. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer. To the best of the knowledge of the Acquirer and the PAC, no statutory approvals are required by the Acquirer and the PAC for effecting the Primary Transaction.

8.14 In case of delay in receipt of any statutory approvals, which may be required by the Acquirer and/or the PAC at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PAC agreeing to pay interest to the Eligible Shareholders for delay beyond 10 (ten) Working Days at such rate, as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all the Eligible Shareholders, the Acquirer and the PAC will have the option to pay consideration to such Eligible Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

8.15 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in this Offer. Applications in respect of the Equity Shares that are the subject of litigation, wherein the Eligible Shareholders may be prohibited from transferring their Equity Shares during the pendency of the said litigation, are liable to be rejected, if the directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered in this Offer. This Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

8.16 The Registrar to the Offer will hold in trust the Equity Shares held in physical form and in credit of the Depository Escrow Account, the Form of Acceptance-cum-Acknowledgement, if any, the transfer form(s) and other documents submitted on behalf of the Eligible Shareholders whose Equity Shares have been validly tendered and accepted in this Offer, till completion of formalities relating to this Offer. In case of Equity Shares tendered in physical form, where the original Equity Share certificates are required to be split, all the documents will be returned only upon receipt of the Equity Share certificates from the Target Company.

8.17 If the aggregate valid responses to this Offer by the Eligible Shareholders are more than the Equity Shares agreed to be acquired in this Offer, then the offers received from the Eligible Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of the Equity Shares from a Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot of the Target Company is 1 (one) Equity Share.

8.18 Unaccepted Equity Share certificates, transfer deeds and other documents, if any, will be returned by registered post at the Eligible Shareholders'/unregistered Eligible Shareholders' sole risk to the sole/first Shareholder. The unaccepted Equity Shares held in dematerialized form will be credited back to the same account from which they were tendered. It will be the responsibility of the Eligible Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. The

Eligible Shareholders holding the Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. It is advised that the de-mat account is maintained till the completion of the Offer formalities.

8.19 Payment to those Eligible Shareholders whose Equity Share are validly tendered and accepted, will be by way of a bankers' cheque/demand draft/NEFT/RTGS/ECS. The Eligible Shareholders who opt for receiving consideration through NEFT/RTGS/ECS are requested to give the authorization for the same in the Form of Acceptance-cum-Acknowledgement and enclose a photocopy of cheque along with the Form of Acceptance-cum-Acknowledgement. In case of the Shareholder(s) holding the Equity Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at his registered address (at its own risk). The decision regarding the acquisition (in part or full), or rejection of, the Equity Shares tendered in this Offer and (i) any corresponding payment for the acquired Equity Shares and/or (ii) the Equity Share certificates for any rejected Equity Shares, will be dispatched to the Eligible Shareholders by registered post or by ordinary post as the case may be*, at the Shareholder's sole risk. The Equity Shares held in dematerialized form to the extent not acquired will be credited back to the same account from which they were tendered.

**Dispatches involving payment of a value in excess of Rs.1,500 (Indian Rupees One thousand five hundred) will be made by registered post at the Shareholder's sole risk. All other dispatches will be made by ordinary post at the Shareholder's sole risk.*

8.20 For Eligible Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected/not credited through NEFT/RTGS/ECS, due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through registered/speed post at the Shareholder's sole risk.

8.21 All bankers' cheques/demand drafts will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Equity Shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the Eligible Shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the bankers' cheque/demand draft.

9 COMPLIANCE WITH TAX REQUIREMENTS:

9.1 Compliance with tax requirements:

General

9.1.1 As per the provisions of Section 195(1) / Section 196D of the Income Tax Act, 1961 ("**Income Tax Act**"), as amended by the Finance (No. 2) Act, 2014, any person responsible for paying to a non-resident, other than to an FII(s), as consideration for acquisition of shares, any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable to the Eligible Shareholders whose Equity Shares are validly tendered and accepted in this Offer would be chargeable to capital gains under Section 45 of the Income Tax Act or as business profits, as the case may be, the Acquirer / PAC are required to deduct taxes at source (including surcharge and education cess) at the applicable rates to such non-resident Eligible Shareholders (other than to an FII(s)).

9.1.2 In case of delay in receipt of statutory approvals as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PAC agreeing to pay interest to the Eligible Shareholders for delay beyond 10 Working Days at such rate, as may be specified by SEBI from time to time.

9.1.3 As per the provisions of Section 194A and 195 of the Income Tax Act, read the Finance (No. 2) Act, 2014, a body corporate responsible for paying to residents (if interest amount exceeds Rs. 5,000) and to non-residents (including FII(s)) (irrespective of the amount of interest) any income by way of interest, is required to deduct tax at source (including, in the case of non-residents, surcharge and education cess as applicable). Since the interest payable to the Eligible Shareholders on being directed by SEBI under Regulation 18(11) of the SEBI (SAST) Regulations will be chargeable to income tax, the Acquirer / PAC will be required to deduct tax at source under section 194A or 195 of the Income Tax Act (including, in the case of non-residents, surcharge and education cess as applicable) on such interest income.

9.1.4 In view of provisions of section 206AA of Income Tax Act, resident and non-resident Eligible Shareholders (including FII(s)) are required to submit their PAN. In case PAN is not submitted or is invalid or does not belong to the Eligible Shareholder, the Acquirer / PAC will arrange to deduct tax at the rate of 20% (twenty per cent) or at the rate in force or at the rate specified in the relevant provisions of the Income Tax Act, whichever is higher.

9.1.5 In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer / PAC, it would be assumed that the Eligible Shareholder is a non-resident Eligible Shareholder and taxes shall be deducted at the maximum rate, as may be applicable to the relevant category to which the Eligible Shareholder belongs under the Income Tax Act, on the entire consideration and interest if any, payable to such Eligible Shareholder.

9.1.6 Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.

9.1.7 In the case of non – resident Eligible Shareholders, the rate of deduction of tax and the quantum of amount on which tax rate is to be applied is dependent on several factors. Since the Acquirer / PAC do not have in-house information in respect of various non-resident Eligible Shareholders, such non-resident Eligible Shareholders must specify the details requested in the Form of Acceptance-cum-Acknowledgement, including but not limited to the following information: (i) Residential status of the Eligible Shareholder; (ii) Category to which the non-resident Eligible Shareholder belongs i.e., Non Resident Indian, Overseas Corporate Body, Non-domestic company, FII(s) being a company, FII(s) other than a company or any other non-resident; (iii) Date of acquisition of Equity Shares (to be supported by evidence); (iv) Cost of acquisition (to be supported by evidence) (v) In case of an individual Eligible Shareholder, who is either a citizen of India or a person of Indian Origin, who claims to be holding shares for more than twelve months, whether shares were acquired by him / her out of convertible foreign exchange (to be supported by evidence) (vi) Whether any concession in the matter of TDS is claimed based on Certificate under Section 197 (to be supported by evidence) (vii) Whether any concession in the matter of TDS is claimed under any DTAA (to be supported by evidence).

9.1.8 Further, for the purpose of determining whether the capital gains are short-term or long-term, the Acquirer / PAC shall, if required, cross verify the details provided by the Eligible Shareholder with the information obtained from the Company.

9.1.9 Any non – resident Eligible Shareholder claiming benefit under any DTAA between India and any other foreign country should furnish 'Tax Residence Certificate' provided to him / it by the income tax authority of such other foreign country of which he / it claims to be a tax resident. In addition, such Eligible Shareholder will also be required to provide (i) nationality in case of an individual (ii) country of Incorporation / Registration in case of any Eligible Shareholder other than an individual (iii) Tax identification number / unique number by which the Eligible Shareholder is identified in the country of his / its residence (iv) period for which the Tax Residence Certificate is issued and (v) Address of the Eligible Shareholder for the period for which Tax Residence Certificate is issued, if any of these information is not contained in the 'Tax Residence Certificate'

9.1.10 In case the non – resident / resident Eligible Shareholder furnishes Certificate under Section 197, tax will be deducted at source in accordance with the Certificate under Section 197.

For all non – resident Eligible Shareholders s except FII(s) (in respect of the consideration payable under the Open Offer):

9.1.11 In computing the amount of TDS, to be eligible for (a) deduction for cost of acquisition and (b) lower rate of Tax Deduction at Source as applicable to Long Term Capital Gain the Eligible Shareholder will need to provide following documents:

(a) Document evidencing price at which shares were acquired e.g. broker invoice / contract note

(b) Document evidencing the date on which the shares were acquired e.g. broker invoice / contract note

(c) To be eligible for lower rate of tax deduction, (as envisaged in section 115E of the Income Tax Act, 1961), an individual Eligible Shareholder, who is either an Indian Citizen or a Person of Indian Origin, document evidencing twin facts namely (i) shares are held for more than twelve months and (ii) shares were acquired by the individual himself / herself using convertible foreign exchange. The document can be in the form of either (a) extract of relevant pages of demat account or (b) bank certificate.

9.1.12 In absence of the above documents, the tax will be deducted at source on the entire consideration payable to the Eligible Shareholder treating the nature of gain as short-term capital gains or business profits as the case may be. In their absence, no deduction will be made in computing taxable gain and no concessional rate of TDS (as applicable to Long Term Capital Gains) will be applied.

9.2 **For Foreign Institutional Investors ("FII(s)") (in respect of the consideration payable under the Open Offer)**

In view of the recent change in the definition of 'Capital Asset' provided in section 2(14) of the Income Tax Act, shares held by all FII(s) (and their sub – account) are to be treated as 'Capital Asset'. The Acquirers will not deduct tax at source on the consideration payable under the open offer since no tax is required to be deducted at source on income by way of 'Capital Gain' arising to an FII(s) (and their sub – account) from the transfer of securities as per the provisions of section 196D(2) of the Income Tax Act.

9.3 **Tax to be deducted in case of resident Eligible Shareholders**

9.3.1 In absence of any specific provision under the Income Tax Act, the Acquirer / PAC will not deduct tax on the consideration payable to resident Eligible Shareholders for acquisition of Equity Shares.

9.3.2 The Acquirer / PAC will deduct the tax at the stipulated rates on interest, if any, payable to resident Eligible Shareholder, if the amount of interest payable is in excess of Rs. 5,000.

9.3.3 The resident Eligible Shareholders claiming that no tax is to be deducted or tax to be deducted at a lower rate on interest amount, should submit along with the Form of Acceptance-cum-Acknowledgement, Certificate under Section 197 indicating the amount of tax to be deducted by the Acquirer / PAC or, in the case of resident Eligible Shareholder not being a company or firm, a self declaration in Form 15G or Form 15H, as may be applicable. The self declaration in Form 15G or Form 15H would not be valid unless the Eligible Shareholder furnishes PAN in such declaration. In case the aforesaid Certificate under Section 197 or Form 15G or 15H, if applicable, is not submitted, the Acquirer / PAC will arrange to deduct tax at the rate, as may be applicable to the category of the Eligible Shareholder under the Income Tax Act.

9.3.4 No tax will be deducted on interest amount in the case of resident Eligible Shareholder being a mutual fund as per Section 10(23D) of the Income Tax Act or a bank or an entity specified under Section 194A (3)(iii) of the Income Tax Act, if it submits a copy of the relevant registration or notification along with the Form of Acceptance-cum-Acknowledgement.

9.4 **Issue of tax deduction at source certificate**

The Acquirer / PAC will issue a certificate in the prescribed form to the Eligible Shareholders (resident and non- resident) who have been paid the consideration and interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars.

9.5 **Withholding taxes in respect of overseas jurisdictions**

9.5.1 Apart from the above, the Acquirer / PAC will be entitled to withhold tax in accordance with the tax laws related to Overseas Tax.

9.5.2 For this purpose, the non-resident Eligible Shareholder shall duly represent in the Form of Acceptance-cum-Acknowledgement, the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Eligible Shareholder is a tax resident and the Acquirer / PAC will be entitled to rely on this representation at their/its sole discretion.

9.5.3 Eligible Shareholders who wish to tender their Equity Shares must submit the following information along with the Form of Acceptance-cum-Acknowledgement:

(a) Documents required from non-resident Eligible Shareholders (except FII(s)):

(i) Self attested copy of PAN card

(ii) Document evidencing price at which shares were acquired e.g. broker invoice / contract note

(iii) Document evidencing the date on which the shares were acquired e.g. broker invoice / contract note

(iv) An individual Eligible Shareholder, who is either an Indian Citizen or a Person of Indian Origin, and claiming concessional rate of TDS under Section 115E, document evidencing twin facts namely (i) shares are held for more than twelve months and (ii) shares were acquired by the individual himself / herself using convertible foreign exchange. The document can be in the form of either (a) extract of relevant pages of demat account or (b) bank certificate.

(v) Certificate under Section 197, in case any concession is claimed on that basis

(vi) Tax Residence Certificate where the non resident claiming any benefit under a DTAA

(vii) In addition, such Eligible Shareholder will also be required to provide (i) nationality in case of an individual (ii) country of Incorporation / Registration in case of any Eligible Shareholder other than an individual (iii) Tax identification number / unique number by which the Eligible Shareholder is identified in the country of his / its residence (iv) period for which the Tax Residence Certificate is issued and (v) Address of the Eligible Shareholder for the period for which Tax Residence Certificate is issued, if any of these information is not contained in the 'Tax Residence Certificate'

(b) Documents required from FII(s):

(i) Self Attested copy of PAN Card

(ii) Self Attested copy of SEBI Registration Certificate as FII(s) (including sub–account of FII(s))

(iii) Certificate under Section 197, in case any concession is claimed on that basis(applicable only for the interest payment, if any)

(iv) Tax Residence Certificate where the FII(s) claiming any benefit under a DTAA (applicable only for the interest payment, if any). In addition, FII(s) will also be required to provide (i) nationality in case of an individual (ii) country of Incorporation / Registration in case of any Eligible Shareholder other than an individual (iii) Tax identification number / unique number by which the Eligible Shareholder is identified in the country of his / its residence (iv) period for which the Tax Residence Certificate is issued and (v) Address of the Eligible Shareholder for the period for which Tax Residence Certificate is issued, if any of these information is not contained in the 'Tax Residence Certificate' (applicable only for the interest payment, if any)

(c) <u>Documents required from resident Eligible Shareholders:</u>

(i) Self attested copy of PAN card

(ii) If applicable, self declaration form in Form 15G Form 15H (in duplicate), as applicable only for interest payment, if any.

(iii) Certificate under Section 197, in case any concession is claimed on that basis (applicable only for the interest payment, if any)

(iv) For Mutual Funds/Banks/other specified entities under Section 194A(3)(iii) of the Income Tax Act – Copy of relevant registration or notification (applicable only for the interest payment, if any)

9.6 Eligible Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

9.7 The Acquirer / PAC will be statutorily required to apply the rates and other provisions related to tax deduction at source as applicable at the time of acceptance of shares under open offer/ payment to Eligible Shareholders.

9.8 Taxes once deducted will not be refunded under any circumstances.

10 DOCUMENTS FOR INSPECTION

10.1 The following documents are available for inspection to the Eligible Shareholders at the office of the Manager to the Offer at **ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, India** and **ICICI Bank Tower, 3rd Floor, NBCC Place, Pragati Vihar, Bhisam Pitamah Marg, New Delhi 110003, India**, between 10 am and 5 pm on all Working Days (except Saturdays, Sundays and bank holidays) till Thursday, April 23, 2015 i.e. the Closure of the Tendering Period:

10.1.1 Certified true copies of the certificates of incorporation and constitution documents of the Acquirer and the PAC;

10.1.2 Certified true copies of the certificates of incorporation, memorandum and articles of association of the Target Company;

10.1.3 Copy of the certificate dated December 18, 2014, issued by Bansi S Mehta & Co, Chartered Accountants having its office at 3rd Floor, 41, New Marine Lines, Mumbai - 400 020 Tel: 022 2200 4002, Fax: 022 2205 0147 certifying the adequacy of financial resources with the Acquirer and PAC to fulfill the Offer obligations;

10.1.4 Copy of the Report dated December 18, 2014, issued by Bansi S Mehta & Co, Chartered Accountants confirming that this indirect acquisition cannot be deemed as a direct acquisition;

10.1.5 Copy of the Report dated December 18, 2014, issued by Bansi S Mehta & Co, Chartered Accountants confirming offer price is justified in terms of the SEBI (SAST) Regulations;

10.1.6 Copy of the audited Annual reports of the Target Company for the last 3 (three) financial years.

10.1.7 Copy of the letter issued by Escrow Agent confirming the amounts kept in the escrow account and a lien in favour of the Manager to the Offer in accordance with the terms of the Offer Escrow Agreement;

10.1.8 Copy of the audited annual reports of the Acquirer and PAC for the last 3 (three) financial years;

10.1.9 Copy of the Transaction Document dated December 13, 2014;

10.1.10 Copy of the PA and DPS;

10.1.11 Copy of the recommendation made by the Target Company's committee of independent directors, as issued under Regulation 26(7) of the SEBI (SAST) Regulations;

10.1.12 Copy of the observation letter from SEBI dated March 20, 2015 containing its comments on the Draft Letter of Offer;

10.1.13 Copy of the agreement entered into by PAC 2, DP and the Registrar to the Offer for opening of the Depository Escrow Account for the purposes of this Offer; and

10.1.14 Copy of the Offer Escrow Agreement.

11 DECLARATION BY THE ACQUIRER AND THE PAC

11.1 The Acquirer, the PAC and their respective directors accept full responsibility for the obligations of the Acquirer and the PAC as laid down in terms of the SEBI (SAST) Regulations and for the information contained in this Letter of Offer except information pertaining to the Target Company in this Letter of Offer.

11.2 The Acquirer and the PAC shall be jointly and severally responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations and for their obligations laid down in the SEBI (SAST) Regulations.

11.3 The information contained in this Letter of Offer is as of the date of this Letter of Offer, unless expressly stated otherwise.

Signed by

On behalf of	**On behalf of**	**On behalf of**
Pfaudler US Inc	**Pfaudler Holding S.à r.l.**	**Pfaudler, Inc.**

Place: Mumbai
Date: March 27, 2015

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INSTRUCTIONS

1. PLEASE NOTE THAT NO EQUITY SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER, THE PAC, THE TARGET COMPANY OR TO THE MANAGER TO THE OFFER.
2. The Form of Acceptance-cum-Acknowledgement should be filled-up in English only.
3. Please read the Letter of Offer accompanying this Form of Acceptance-cum-Acknowledgement carefully before filling up this Form of Acceptance-cum-Acknowledgement.
4. The acceptance of the Offer is entirely up to the discretion of the Eligible Shareholders. Each Eligible Shareholder to whom this Offer is being made is free to offer his/ her Equity Shares in whole or in part while accepting the Offer.
5. In the case of dematerialized Equity Shares, the Eligible Shareholders are advised to ensure that their Equity Shares are credited in favour of the Depository Escrow Account, before the closure of the Tendering Period i.e. **Thursday, April 23, 2015.** The Form of Acceptance-cum-Acknowledgement of such dematerialized Equity Shares not credited in favour of the Depository Escrow Account, before the closure of the Tendering Period will be rejected.
6. Eligible Shareholders should enclose the following:

a. For Equity Shares held in demat form:

Beneficial owners should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the Depository Participant ("DP").
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer.
- Photocopy of the Inter-Depository Delivery Instruction Slip if the beneficiary holders have an account with Central Depository Services Ltd.
- A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificate from income tax authorities, as applicable
- For each Delivery Instruction, the beneficial owners should submit separate Form of Acceptance-cum-Acknowledgement.

In case of non-receipt of the aforesaid documents, but receipt of the Equity Shares in the Depository Escrow Account, the Acquirer and/or PAC may deem the Offer to have been accepted by such Eligible Shareholder in case of a resident Eligible Shareholder.

b. For Equity Shares held in physical form:

Registered Eligible Shareholders should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all Eligible Shareholders whose names appear on the share certificates.
- Original share certificate(s)
- Cancelled cheque or a photocopy of a cheque associated with the particular bank account where payment is desired, with MICR / IFSC code of the bank branch clearly mentioned on the cheque, if payment of consideration through ECS is required
- A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificate from income tax authorities, as applicable
- Valid share transfer deed(s) duly signed as transferors by all registered Eligible Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with GMM Pfaudler Limited and duly witnessed at the appropriate place. A blank share transfer deed is enclosed along with the Letter of Offer.
  - Verification and attestation, where required, (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and Membership No. or a manager of the transferor's bank.
  - The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer and/or PAC as buyer will be filled by the Acquirer and/or PAC upon verification of the Form of Acceptance-cum-Acknowledgement and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

If the Registrar to the Offer does not receive the documents listed above but receives the original share certificates and valid share transfer deed from a registered Eligible Shareholder, then the Acquirer and/or PAC may deem the Offer to have been accepted by such Eligible Shareholders in case of a resident Eligible Shareholder.

Unregistered owners should enclose-

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original share certificate(s)
- Original broker contract note

- Valid share transfer deed(s) as received from the market leaving details of buyer blank. The details of the Acquirer and/or PAC as buyer will be filled by the Acquirer and/or PAC upon verification of the Form of Acceptance-cum-Acknowledgement and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance. If the same is filled in then the Equity Share(s) are liable to be rejected
- Owners of Equity Shares who have sent their Equity Shares for transfer should enclose along with this Form duly completed and signed, copy of the letter sent to GMM Pfaudler Limited for transfer of Equity Shares and valid share transfer deed(s).
- Self attested copy of PAN card
- Verification and attestation, where required, (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and Membership No. or a manager of the transferor's bank.
- In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the Form of Acceptance-cum-Acknowledgement shall be accompanied by the acknowledgment of lodgement with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and the transfer deed(s).

7. In case of Equity Shares held in joint names, names should be filled up in the same order in the Form of Acceptance-cum-Acknowledgement and in the transfer deed(s) as the order in which they hold Equity Shares in GMM Pfaudler Limited, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
8. All the Eligible Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
    - Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Eligible Shareholder) in case the original Eligible Shareholder is dead.
    - Duly attested power of attorney if any person apart from the Eligible Shareholder has signed the Form of Acceptance-cum-Acknowledgement and / or transfer deed(s).
9. All the Eligible Shareholders are advised to refer to paragraph 9.1 - **Compliance with tax requirements** in the Letter of Offer in relation to important disclosures regarding the taxes to be deducted on the consideration / interest component to be received by them.
10. The share certificate(s), share transfer deed(s) and the Form of Acceptance-cum-Acknowledgement should be sent only to the Registrar to the Offer and not to the Manager to the Offer, the Acquirer, the PAC or the Target Company.
11. Eligible Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their Equity Shares in favour of the Depository Escrow Account with NSDL.
12. While tendering the Equity Shares under the Offer, NRIs/ OCBs/ foreign Eligible Shareholders will be required to submit the RBI and / or FIPB approvals (specific or general) that they would have obtained for acquiring the Equity Shares of the Target Company. If the Equity Shares are held pursuant to a general permission of RBI, the Non-Resident Eligible Shareholder should submit a copy of the relevant notification / circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis. In case the previous RBI approvals are not submitted, the Acquirer and/or PAC reserve the right to reject such Equity Shares tendered.

    NRI Eligible Shareholders tendering their Equity Shares in the Offer and holding such Equity Shares on a repatriable basis (in which case the consideration can be remitted abroad) should (i) provide relevant proof of such holding on a repatriable basis viz. RBI approval (if applicable) or proof that such Equity Shares were purchased from funds from an Non-resident (External) ("NRE") bank account or by way of foreign inward remittance; and (ii) furnish details of the type of the relevant bank account, i.e. NRE bank account, to which the consideration should be credited.

    NRI Shareholders tendering their Equity Shares in the Offer and holding such Equity Shares on a non-repatriable basis should provide details of their Non-Resident (Ordinary) ("NRO") bank account, based on which the consideration cheque or demand draft constituting payment of purchase consideration will be drawn. In the event that details of an NRO bank account are not furnished, the Equity Shares tendered by such NRI Eligible Shareholders would be rejected. Alternatively, if such an NRI Eligible Shareholder wishes to receive the consideration in an NRE bank account, such NRI Eligible Shareholder should provide a specific RBI approval permitting consideration to be credited to such bank account, based on which the consideration cheque or demand draft constituting payment of purchase consideration will be drawn. In the event that such a specific RBI approval and the details of such designated bank account are not furnished, the Equity Shares tendered by such NRI Eligible Shareholders would be rejected.
13. FIIs/FPIs are requested to enclose the SEBI Registration Certificate. In case of a company, a stamp of the company should be affixed on the Form of Acceptance-cum-Acknowledgement. A company / FII / FPI / OCB should furnish necessary authorization documents along with Specimen Signatures of Authorised Signatories.
14. Unaccepted share certificates, transfer deeds and other documents, if any, will be returned by registered post at the Eligible Shareholders'/unregistered Eligible Shareholders' sole risk to the sole/first Eligible Shareholder. Equity Shares held in demateralised form to the extent not accepted will be credited back to the same account from which they were tendered. The Eligible Shareholders holding the Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. All documents / remittances sent

by or to Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to adequately safeguard their interests in this regard.

15. Neither the Acquirer, the PAC, the Manager to the Offer nor the Registrar to the Offer will be liable for any delay / loss in transit resulting in delayed receipt / non-receipt by the Registrar to the Offer of your Form of Acceptance-cum-Acknowledgement or for the failure to deposit your Equity Shares to the Depository Escrow Account or submission of original physical Share certificates with inaccurate / incomplete particulars / instructions on your part, or for any other reason.
16. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at the collection centres of **Link Intime India Private Limited** as mentioned below.
17. The Form of Acceptance-cum-Acknowledgement along with enclosure should be sent only to the Registrar to the Offer so as to reach any of the collection centres of the Registrar to the Offer, mentioned below on all days (excluding Public holidays) during the business hours i.e. (Mondays to Fridays between 10:00 to 17:00) on or before Thursday, April 23, 2015, i.e. closure of the Tendering Period.
18. All the Eligible Shareholders should provide all relevant documents which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.
19. In case the Acquirer and/or PAC is of the view that the information / documents provided by the Eligible Shareholder is inaccurate or incomplete or insufficient, then tax may be deducted at source at the maximum applicable marginal rate on the entire consideration paid to the Eligible Shareholders.
20. Payment of Consideration: Eligible Shareholders must note that on the basis of name of the Eligible Shareholders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Form of Acceptance-cum-Acknowledgement, the Registrar to the Offer will obtain from the Depositories, the Eligible Shareholder's details including address, bank account and branch details. These bank account details will be used to make payment to the Eligible Shareholders. Hence Eligible Shareholders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays of payment or electronic transfer of funds, as applicable, and any such delay shall be at the sole risk of the Eligible Shareholders and neither the Acquirer, the PAC, the Manager to the Offer, Registrar to the Offer nor the Escrow Bank shall be liable to compensate the Eligible Shareholders for any loss caused to the Eligible Shareholders due to any such delay or liable to pay any interest for such delay. Physical Eligible Shareholders are requested to fill up their bank account details in the 'Form of Acceptance-cum-Acknowledgement'.

The tax deducted under this Offer is not the final liability of the Eligible Shareholders or in no way discharges the obligation of Eligible Shareholders to disclose the consideration received pursuant to this Offer in their respective tax returns.

All Eligible Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PAC, the Manager to the Offer and the Registrar to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The tax rates and other provisions may undergo changes.

12 SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT / EQUITY SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER I.E. 17:00 HOURS ON THURSDAY, APRIL 23, 2015 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE WILL BE REJECTED.

Collection Centres

Collection Center	Name and Address of the Collection Center	Contact Person	Mode of Delivery	Tel No	Fax No.	Email Id
Mumbai	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078.	Ganesh Mhatre	Hand Delivery & Registered Post	022-61715400	022-25960329	gmmpfaudler.offer@linkintime.co.in
Ahmedabad	Link Intime India Pvt. Ltd, 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad – 380009	Hitesh Patel	Hand Delivery	079-2646 5179	079-2646 5179 (Telefax)	ahmedabad@linkintime.co.in
Kolkata	Link Intime India Pvt. Ltd, 59C,Chowringhee Road, 3rd Floor, Kolkata -700020	S.P. Guha	Hand Delivery	033-22890539/40	033-22890539/40 (Telefax)	kolkata@linkintime.co.in
New Delhi	Link Intime India Pvt. Ltd., 44 Community Centre, 2nd Floor, Nariana Industrial Area, Phase I, Near PVR, Nariana, New Delhi 110 028	Swapan Naskar	Hand Delivery	011-41410592/93/94	011-41410591	delhi@linkintime.co.in
Chennai	C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai- 600 017	Solly Soy	Hand Delivery	044-28152672 044-42070906	044-28152672 (Telefax)	chennai@saspartners.com

Collection Centre Timings - Between 10.00 a.m. and 17.00 p.m. on all days (excluding Saturday, Sunday & Public holidays)

Applicants who cannot hand deliver their documents at any of the Collection Centres, may send their documents by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address: Link Intime India Private Limited, Unit : GMM Pfaudler Ltd - Open Offer, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078; Email: gmmpfaudler.offer@linkintime.co.in; Contact person: Mr. Ganesh Mhatre, so as to reach the Registrar to the Offer on or before 17:00 hours on Thursday, April 23, 2015, i.e. Closure of the Tendering Period.

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to Link Intime India Private Limited at any of the collection centres mentioned in the Letter of Offer)

Name:

Address:

TENDERING PERIOD FOR THE OFFER	
OPENS ON	**THURSDAY, APRIL 9, 2015**
CLOSES ON	**THURSDAY, APRIL 23, 2015**

Tel No.: **Fax No.:** **Email:**

To,	Status of the Eligible Shareholder (Please tick whichever is applicable)			
The Acquirer – **Pfaudler US, Inc** PAC - **Pfaudler Holding S.à r.l. & Pfaudler, Inc** Unit: **GMM Pfaudler Limited – Open Offer** C/o Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400078, India Contact Person: Mr. Ganesh Mhatre Email: gmmpfaudler.offer@linkintime.co.in SEBI Registration No: INR000004058	☐ Individual	☐ Domestic Company	☐ Banks	☐ FVCI
	☐ Partnership / Proprietorship firm / LLP	☐ Private Equity Fund	☐ Pension/ Provident Fund	☐ Sovereign Wealth Fund
	☐ Foreign Trust	☐ Financial Institution	☐ NRIs / PIOs	☐ Insurance Company
	Foreign Company	☐ FII (constituted as a company)	FII (constituted as a trust)	Mutual Fund (referred in section 10 (23D) of Income Tax Act
	☐ OCB	☐ Domestic Trust	☐ Others _______________	

Dear Sir/Madam,

Sub: Open offer ("Offer") for acquisition of up to 3,654,375 (Three million six hundred and fifty four thousand three hundred and seventy five) fully paid-up equity shares of face value of Rs. 2 (Rupees Two) each ("Equity Share") from the public shareholders of GMM Pfaudler Limited ("Target Company") by Pfaudler US, Inc ("Acquirer") along with Pfaudler Holding S.à r.l. ("PAC 1") and Pfaudler, Inc ("PAC 2") (PAC 1 and PAC 2to be collectively referred as "PAC") at a price of Rs. 247.54 per Equity Share("Offer Price"), payable in cash.

I / We refer to the Letter of Offer dated March 27, 2015 for acquiring the Equity Shares held by me / us in **GMM Pfaudler Limited**.

I/We, the undersigned, have read the Public Announcement, the Detailed Public Statement and the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

FOR EQUITY SHARES HELD IN PHYSICAL FORM

I/We, holding the Equity Shares in physical form, accept the Offer and enclose the original share certificate(s) and duly signed share transfer deed(s) in respect of my/our Equity Shares as detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
Total No. of Equity Shares					

Please attach additional sheets of paper and authenticate the same if the space is insufficient.

FOR EQUITY SHARES HELD IN DEMAT FORM

I/We, holding the Equity Shares in dematerialized form, accept the Offer and enclose a photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by my/our DP in respect of my/our Equity Shares as detailed below : **{ISIN of GMM Pfaudler Limited:** INE541A01023**}**

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares

I/We have executed an off-market transaction for crediting the Equity Shares to the Depository Escrow Account with Ventura Securities Limited as the DP in NSDL styled "LIIPL GMM PFAUDLER LTD OPEN OFFER ESCROW DEMAT ACCOUNT" whose particulars are:

DP Name: Ventura Securities Limited	**DP ID: IN303116**	**Client ID: 11552174**

Eligible Shareholders having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their Equity Shares in favour of the Depository Escrow Account with NSDL.

I/We confirm that the Equity Shares of GMM Pfaudler Limited, which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I / We confirm that there are no tax or other claims pending against me/us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, 1961. I / We are not debarred from dealing in Equity Shares.

I / We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us, I / we will indemnify the Acquirer and/or the PAC for such income tax demand (including interest, penalty, etc.) and provide the Acquirer and/or the PAC with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer and/or PAC pays the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer and/or PAC will pay the purchase consideration only after verification of the documents and signatures.

I/We authorize the Acquirer and/or PAC or the Registrar to the Offer to send by Speed Post/Registered Post/ or through electronic mode, as may be applicable, at my/our risk, the crossed account payee cheque, demand draft/pay order, or electronic transfer of funds in full and final settlement due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned above.

I/We note and understand that the Equity Shares would lie in the Depository Escrow Account until the time the Acquirer and/or PAC makes payment of purchase consideration as mentioned in the Letter of Offer. I/We authorise the Acquirer and/or PAC to accept the Equity Shares so offered or such lesser number of Equity Shares which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirer and/or PAC to return to me/us, share certificate(s) in respect of and/or credit my/our demat account with, the Equity Shares, in respect of which the Offer is not found valid/not accepted.

I/We authorize the Acquirer and/or PAC to split / consolidate the share certificates comprising the Equity Shares that are not acquired and are to be returned to me/us and for the aforesaid purposes the Acquirer and/or PAC are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

ELIGIBLE SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT / EQUITY SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER, i.e. 17:00 HOURS ON APRIL 23, 2015 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE WILL BE REJECTED.

So as to avoid fraudulent encashment in transit, Eligible Shareholder(s) holding **Equity Shares in physical form** and those who wish to receive payment of consideration through ECS should provide details of bank account along with a cancelled copy of the cheque of the first/sole Eligible Shareholder and the consideration amount will be remitted accordingly through electronic credit / cheque or demand draft.

Name of the Bank ____ Branch __________________________________ City ________________________________

MICR Code (9 Digits) ____ IFSC

Account Number (CBS Account): ____ Account Type (CA/SB/NRE/NRO/others) (please specify): ________________

Non Resident Eligible Shareholders are requested to state their NRO/NRE Bank Account Number as applicable based on the status of their account in which they hold Equity Shares, failing which the Acquirer / PAC has a right to reject their application.

For Equity Shares that are tendered in electronic form, the bank account details as obtained from the beneficiary position provided by the depository will be considered, and the consideration amount will be remitted accordingly through electronic credit / cheque or demand draft.

For all Eligible Shareholders

I / We, confirm that our residential status for the purposes of tax is:

☐ Resident ☐ Non-resident, If yes, please state country of tax residency ________________

I / We, confirm that our status is:

☐ Individual ☐ HUF ☐ Firm ☐ Company ☐ Association of persons / body of individuals ☐ Trust

☐ Any other - please specify ______________________

I / We, have enclosed the following all documents:

☐ Cancelled cheque or a photocopy of a cheque associated with the particular bank account where payment is desired, with MICR / IFSC code of the bank branch clearly mentioned on the cheque, if payment of consideration through ECS is required

☐ Self attested copy of PAN card

☐ Duly attested Power of Attorney if any person apart from the Eligible Shareholder has signed the application form and/or transfer deed(s)

☐ Corporate authorization in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories

☐ Death Certificate/ Succession Certificate if the original Eligible Shareholder is deceased

Additional confirmations and enclosures for Resident Eligible Shareholders (Applicable only for Interest payment)

I / We, have enclosed the following documents:

☐ Self declaration form in Form 15G / Form 15H, if applicable, to be obtained in duplicate copy in case of individuals or any other person not being a company or a firm where the payment exceeds Rs. 5,000

☐ Certificate u/s. 197, if any, for company and firms where the payment exceeds Rs. 5,000

☐ For Mutual funds / Banks / Notified Institutions under Section 194A(3)(iii) of the Income Tax Act, 1961, copy of relevant registration or notification

If the interest payment amount exceeds Rs. 5,000, TDS will be deducted on the same at applicable rates

Additional confirmations and enclosures for FII / FPI Eligible Shareholders

I / We, have enclosed self attested copies of the following documents (select whichever is applicable):

☐ SEBI Registration Certificate for FIIs (including sub – account) / FPIs ☐ RBI approval for acquiring Equity Shares of GMM Pfaudler Limited tendered herein, if applicable

☐ Tax Residency Certificate from Government of the Country or Specified Territory of which you are tax resident (containing the particulars as prescribed under the Income Tax Act, 1961), if any (applicable for interest payment)

☐ Declaration as contained in Form 10 F to the Income Tax Rules, 1962 to the extent the information prescribed therein is not mentioned in the Tax Residency Certificate ,if any (applicable for interest payment)

☐ Certificate u/s. 197, for deduction of tax at a lower or nil rate if any (applicable for interest payment)

Additional confirmations and enclosures for other Non-resident Eligible Shareholders (except FIIs / FPIs)

I / We, confirm that the Equity Shares tendered by me / us are held on (select whichever is applicable):

☐ Repatriable basis ☐ Non-repatriable basis

I / We, confirm that the tax on account of Equity Shares of Target Company held by me / us is to be deducted on (select whichever is applicable):

☐ Long Term Capital Gains (held for more than twelve months) ☐ Short Term Capital Gains (held for twelve months or less)

☐ Trade Account ☐ Any other (please specify) _______________

☐ I / We do not have any business connection / Permanent Establishment in India (in case the nature of gains arising from the sale of Equity Shares is not Capital Gains)

In case the gains arising from the Sale of Equity Shares are not in the nature of capital gains, kindly enclose a certificate obtained from Indian tax authorities under section 195(3) or 197 of the Income Tax Act, 1961, specifying the rate at which tax shall be deducted. In the absence of the above certificate, tax would be deducted at the maximum marginal rate on the entire consideration paid.
The Eligible Shareholders are also required to disclose all relevant details (like amount of deduction, manner of deduction and depositing tax etc.) in the event there is any other withholding tax obligation on the Acquirer and/or PAC in any other country on the Sale of Equity Shares by the Eligible Shareholders.

Declaration for treaty benefits (please & the box if applicable):
□ I / We confirm that there I / we is / are tax resident/s of ___________________________ and satisfy all conditions to claim benefits under DTAA entered into by India and the country of which I am / we are tax resident/s.
(Note: If this box is not ticked, tax will be deducted without considering treaty benefits at the maximum marginal rate applicable)
In order to avail benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a tax residence certificate stating that you are a tax resident of your country of residence / incorporation in terms of the DTAA entered into between India and your country of residence, along with From No: 10F duly filled with information on (i) nationality in case of an individual (ii) country of Incorporation / Registration in case of any Eligible Shareholder other than an individual (iii) Tax identification number / unique number by which the Eligible Shareholder is identified in the country of his / its residence (iv) period for which the Tax Residence Certificate is issued and (v) Address of the Eligible Shareholder for the period for which Tax Residence Certificate is issued, if any of these information is not contained in the 'Tax Residence Certificate'
In case there is a permanent establishment in India, kindly enclose a certificate from Indian tax authorities, specifying the rate of tax to be deducted failing which tax will be deducted at the maximum marginal rate.

I/ We, have enclosed the following documents (select whichever is applicable):
☐ Document evidencing price at which shares were acquired e.g. broker invoice / contract note
☐ Document evidencing the date on which the shares were acquired e.g. broker invoice / contract note
☐ Document in the form of either (a) extract of relevant pages of demat account or (b) bank certificate evidencing twin facts namely (i) shares are held for more than twelve months and (ii) shares were acquired by the individual himself / herself using convertible foreign exchange, applicable in the case of an individual Eligible Shareholder, who is either an Indian Citizen or a Person of Indian Origin, and claiming concessional rate of TDS u/s. 115E
☐ Tax Residency Certificate from Government of the Country or Specified Territory of which you are tax resident (containing the particulars as prescribed under the Income Tax Act, 1961)
☐ Declaration as contained in Form 10 F to the Income Tax Rules, 1962, to the extent the information prescribed therein is not mentioned in the Tax Residency Certificate
☐ Certificate u/s. 197 for deduction of tax at a lower or nil rate, if any.
☐ Copy of RBI / FIPB approval, if any, for acquiring Equity Shares of Target Company hereby tendered in the Offer and RBI approval evidencing the nature of shareholding, *i.e.* repatriable or non-repatriable basis, if applicable
☐ Copy of RBI approval for OCBs tendering their Equity Shares in the Offer
☐ Copy of RBI approval (For NRI Eligible Shareholders tendering their Equity Shares in the Offer held on a non-repatriable basis) if any, permitting consideration to be credited to an NRE bank account

I / we confirm that in case the Acquirer / PAC is of the view that the information /documents provided by the shareholder is inaccurate or incomplete or insufficient, then tax may be deducted at source at the maximum marginal rate on the entire consideration paid to the shareholders.

Yours faithfully, Signed and Delivered,

	Full name(s) of the holder	PAN	Signature(s)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all holders must sign. In case of body corporate, the Company seal should be affixed and necessary Board resolutions should be attached.

Place: ____ Date: ______________________

--- Tear along this line ---

Acknowledgement Slip (To be filled in by the shareholder) **GMM Pfaudler Limited – Open Offer** **Sr. No. ____________________________**

Received from

Mr./Ms./M/s.____

Address

____

Physical shares: Folio No. ______________________________________ /

Demat shares: DP ID ____; Client ID____

Form of Acceptance-cum-Acknowledgement along with (Please put tick mark in the box whichever is applicable):

☐ Physical shares: No. of shares ______________________; No. of certificates enclosed_________________;

Share Transfer Form

☐ Demat shares: Copy of delivery instruction for _______________ shares enclosed; and copy of inter-depository delivery slip (for beneficiary holders maintaining an account with CDSL).

Date of Receipt _______________________________ Signature of Official ________________________________

Collection Centre Stamp

-- Tear along this line --

All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address:

Unit: GMM Pfaudler Limited – Open Offer
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup West, Mumbai 400078,
India
Contact person: Mr. Ganesh Mhatre
Tel: +91 22 25967878;
Fax: +91 22 25960329;
Email: gmmpfaudler.offer@linkintime.co.in