GMM PFAUDLER LIMITED

Registered Office & Works: Vithal Udyognagar, Karamsad 388 325, Gujarat, India.

Recommendations of the Committee of Independent Directors (IDC) pursuant to Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 on the Open Offer by National Oilwell Varco Inc. and Pfaudler Inc. to the Shareholders of **GMM PFAUDLER LIMITED** as per Public Announcement dated February 21, 2013:

1	**Date**	April 12, 2013
2	**Name of the Target Company (TC)**	GMM PFAUDLER LIMITED ("Target Company" or "TC")
3	**Details of the Offer pertaining to TC** Robbins & Myers Inc. the ultimate Holding Company of Pfaudler Inc; which is the Holding Company of the TC, National Oilwell Varco Inc ("NOV") and its wholly owned subsidiary Raven Process Corp had entered into a Merger Agreement on August 8, 2012 under which NOV was to acquire Robbins & Myers Inc. in an all cash transaction. The Boards of Directors of NOV and Robbins & Myers had unanimously approved the transaction, which was subject to customary closing conditions which got completed on February 20, 2013. The transaction under the Merger Agreement constitutes an indirect acquisition by NOV of control and the voting rights held by Pfaudler Inc in the TC under regulations 3(1), 4 and 5(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("the Regulations"). A Public Announcement ("PA") dated February 21, 2013 was made by NOV ("Acquirer") announcing the intention of the Acquirer and Pfaudler Inc. (PAC) to acquire up to 38,00,550 equity shares constituting 26% of the outstanding shares from the shareholders (other than the Acquirer and the PAC) of the TC in terms of the Regulations. The Offer has been made at a price of Rs 83.88 per equity share plus interest of Rs 4.67 per share giving a total price of Rs 88.55 per share.	
4	**Name(s) of the acquirer and PAC with the acquirer**	**Acquirer :** National Oilwell Varco Inc("NOV") **PAC:** Pfaudler Inc.
5	**Name of the Manager to the Offer**	Citigroup Global Markets India Pvt. Ltd.
6	**Members of the Committee of Independent Directors**	Mr. P. Krishnamurthy (Chairman) and Dr. S. Sivaram.
7	**IDC Member's relationship with the TC** (Director, Equity shares owned, any other contract/ relationship),if any	Mr. P. Krishnamurthy is a non-executive and independent Director and is the Chairman of the Board of Directors of the TC. He does not hold any shares of the TC Dr. S. Sivaram is a non-executive and independent Director. He does not hold any shares of the TC.
8	**Trading in the Equity shares/other securities of the Target Company by IDC Members**	Neither of the IDC members have traded in the equity shares or other securities of the TC.
9	**IDC Member's relationship with the Acquirer and PAC** (Director, Equity shares owned, any other contract / relationship), if any	The IDC Members have no relationship with the acquirer or the PAC.
10	**Trading in the Equity shares/other securities of the acquirer by IDC Members**	Neither of the IDC members have traded in the equity shares or other securities of the Acquirer or the PAC.
11	**Recommendation on the Open offer, as to whether the offer is fair and reasonable**	The IDC believes that the Open Offer is fair and reasonable.
12	**Summary of reasons for recommendation** The IDC has reviewed the Public Announcement ("PA") dated February 21, 2013, the Corrigendum PA issued by Citigroup Global Markets India Pvt. Ltd. on February 27,2013 the Detailed Public Statement ("DPS") published on February 27, 2013, the Draft Letter of Offer ("DLOF") and the final Letter of Offer.The IDC has taken into consideration the following for making this recommendation: (i) A review of the contents of the PA, Corrigendum PA, DPS, DLOF and Letter of Offer leads the IDC to opine that the offer price offered by the Acquirer and the PAC is in compliance with the Regulations. (ii) The IDC has sought external professional advice from PL Capital Markets Pvt. Ltd; who have reviewed and analyzed the open offer and reported vide their Report to IDC dated April 11, 2013 that the Offer Price is fair and reasonable. Based on the above, the IDC is of the opinion that the Offer Price to the Public Shareholders of the TC is in compliance with the requirements of the Regulations and hence is fair and reasonable. The shareholders of the TC are advised to independently evaluate the offer and take informed decision whether or not to offer their shares in the Open Offer. This statement of recommendations and the Report of PL Capital Markets Pvt. Ltd will be available on the website of the Company (www.gmmpfaudler.com) under the "Investor relations" section till at least the closure of the Tendering Period.	
13	**Details of Independent Advisors, if any**	PL Capital Markets Pvt. Ltd, (SEBI Registration number INM000011237) were appointed as Independent Advisors and Udwadia Udeshi and Argus Partners were appointed as Solicitors.
14	**Any other matter to be highlighted** The Shareholders are requested to note that at the meeting of the Board of Directors held on March 12, 2013, Mr. Ashok Patel, Managing Director, representing the Patel Group, has declared to the Board that the Patel Group, being the Indian Promoters, will not offer their shares in the Open Offer and will continue to be actively associated with the Management of the Company as at present. Appropriate communication in this regards was sent by the TC to BSE Ltd, and by the IDC to the Manager to the Offer, with a copy to SEBI.	

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

For **GMM PFAUDLER LIMITED**
Sd/-
P. KRISHNAMURTHY
CHAIRMAN OF THE COMMITTEE OF INDEPENDENT DIRECTORS
Place: Mumbai
Date: April 12, 2013