

ANNUAL REPORT 2014 - 2015



GMM PFAUDLER LIMITED

BOARD OF DIRECTORS

P. KRISHNAMURTHY
Chairman

TARAK PATEL
Managing Director

ASHOK PATEL
Director

DR. S. SIVARAM
Director

DR. AMRITA PATEL
Director (Appointed w.e.f December 11, 2014)

THOMAS KEHL
Director (Appointed w.e.f May 19, 2015)

KHURSHED THANAWALLA
Director (Appointed w.e.f June 30, 2015)

TOM ALZIN
Director (Appointed w.e.f July 7, 2015)

CHIEF OPERATING OFFICER
ASHOK PILLAI

CHIEF FINANCIAL OFFICER
AMAR NATH MOHANTY

COMPANY SECRETARY
MITTAL MEHTA

STATUTORY AUDITORS
KALYANIWALLA & MISTRY,
CHARTERED ACCOUNTANTS, MUMBAI.

INTERNAL AUDITORS
DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
(Upto November 30, 2014)

M/s. PAM & ASSOCIATES
CHARTERED ACCOUNTANTS
(Appointed w.e.f. December 1, 2014)

SOLICITORS
ARGUS PARTNERS
SHARDUL AMARCHAND MANGALDAS

BANKERS
STATE BANK OF INDIA
AXIS BANK LTD.
CITIBANK, N.A.

REGISTRAR AND TRANSFER AGENT
LINK INTIME INDIA PVT. LTD.
C-13, PANNALAL SILK MILLS COMPOUND,
L.B.S. MARG, BHANDUP (WEST),
MUMBAI - 400 078.
TEL.: +91 22 2594 6970 • FAX: +91 22 2594 6969
EMAIL: rnt.helpdesk@linkintime.com

REGISTERED OFFICE
VITHAL UDYOGNAGAR,
ANAND - SOJITRA ROAD,
KARAMSAD – 388 325, GUJARAT
TEL.: +91 2692 661700 / 230416 / 230516
FAX: +91 2692 661888 / 236467
EMAIL: worksko@gmmpfaudler.com

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BOARD OF DIRECTORS

Name of the director	Brief Profile
	<p>Mr. P Krishnamurthy</p> <p>Mr. Krishnamurthy has over 25 years of experience in Corporate Management and Strategy, Restructuring, M&A, Internal Business and Joint Ventures, Financial Management & Banking including managing and supervising business units in India and abroad. He has served as Vice Chairman of JM Morgan Stanley, Director of JM Financial and Director of IL & FS Asset Management.</p> <p>He is on the Board of Mumbai SEZ Limited, Urban Infrastructure Venture Capital Limited, Apodis Hotels & Resorts Limited, Repro India Limited and SICOM Limited.</p> <p>Mr. Krishnamurthy, 66 years, has a B.Com (Hons.) degree and is an all India Rank Holder at the Institute of Chartered Accountants of India.</p>
	<p>Mr. Ashok Patel</p> <p>Mr. Ashok Patel has over 45 years of experience in the capital goods industry. He has been serving as Director of GMM Pfaudler Limited since 1972 and as Managing Director since 1988.</p> <p>He is currently the Executive Chairman of Company's subsidiary Mavag AG. He is on the Board of Skyline Millars Limited, Ready Mix Concrete Limited, Karamsad Holdings Limited and Karamsad Investments Limited.</p> <p>Mr. Ashok Patel, 71 years, has a B. Sc degree from the University of Manchester Institute of Science & Technology, UK and a MBA from the Columbia University, USA.</p>
	<p>Mr. Tarak Patel</p> <p>Mr. Tarak Patel has been appointed as Managing Director of the Company effective June 1, 2015. He has served as Executive Director of the Company since 2007.</p> <p>He is on the Board of Skyline Millars Limited and Ready Mix Concrete Limited.</p> <p>Mr. Tarak Patel, 39 years, has a BA in Economics from the University of Rochester, USA and a MBA jointly conferred by Columbia Business School, London Business School and University of Hong Kong (HKU) Business School.</p>
	<p>Dr. S. Sivaram</p> <p>Dr. S. Sivaram is a polymer chemist by profession and has authored two hundred and ten papers in peer-reviewed journals, edited two books and authored one book. He has forty-nine issued US and European patents and fifty-two Indian patents to his credit. He was conferred Padma Shri by the President of India in 2006. Prior to joining NCL in 1988 he was head of the Research Center at Indian Petrochemicals Corporation Ltd., Vadodara.</p> <p>Dr. Sivaram serves on the Board of Apcotex Industries Limited, Asian Paints Limited, Deepak Nitrite Limited and Supreme Petrochem Limited.</p> <p>Dr. Sivaram, 68 years, is an alumnus of IIT-Kanpur (MSc. 1967). He has a PhD in Chemistry from Purdue University, W. Lafayette, Indiana, USA.</p>

BOARD OF DIRECTORS

Name of the director	Brief Profile
	<p>Dr. Amrita Patel</p> <p>Dr. Amrita Patel, is the former Chairperson of National Dairy Development Board (NDDDB) and was responsible for the implementation of national dairy programme, Operation Flood-the largest programme in the world using food aid for development.</p> <p>Dr. Patel has played a leading role in advocacy of environment protection and stability. She is strongly committed to healthcare services for rural people and women in particular.</p> <p>Dr. Patel is currently Chairperson of Charutar Arogya Mandal, Karamsad, Foundation of Ecology Security, Anand and Sardar Patel Renewable Energy Research Institute, Vallabh Vidya Nagar. Dr. Patel is a Trustee of Sir Dorabji Tata Trust and Sardar Patel Trust. She is on the Board of Society for Promotion of Wastelands Development, New Delhi.</p> <p>Dr. Amrita Patel, 71 years, BVSc & AH, has been conferred the Padma Bhushan and numerous other awards and honorary degrees.</p>
	<p>Mr. Thomas Kehl</p> <p>Mr. Thomas Kehl is the Chairman on the Board of Pfaudler Inc. Before joining Pfaudler, Mr. Thomas Kehl was the President and CEO of Coperion Group. Prior to this position he was responsible for Coperion's Compounding Machines and Service business. His extensive experience in the industry includes two years as CEO of Freudenberg Nonwovens and several executive positions within the Hoechst Group and their subsidiaries. His international experience includes five years in various management positions in the USA</p> <p>Mr. Kehl, 55 years, holds a degree in Marketing and General Management from The University for Applied Sciences Mainz.</p>
	<p>Mr. Khurshed Thanawalla</p> <p>Mr. Khurshed Thanawalla is the Country Representative – India for Oerlikon Group.</p> <p>He serves on the Board of Stovec Industries Ltd., Mandhana Industries Ltd, Varun Gas Infrastructure Ltd and Fairfield Atlas Ltd.</p> <p>Mr. Thanawalla, 72 years, is a Fellow of the Institute of Chartered Securities and Administrators of London and the British Institute of Management. He is the associates of the Textile Institute, UK.</p>
	<p>Mr. Tom Alzin</p> <p>Tom Alzin is a Director at Deutsche Beteiligungs AG (DBAG), a leading German private equity Company. He has been with the Company since 2004. He currently sits on the Boards of FDG Group, Sphero, Schülerhilfe and Pfaudler Process Solutions Group.</p> <p>Mr. Tom Alzin, 35 years, studied at HEC Lausanne, Switzerland, and the London School of Economics, United Kingdom. He earned his degree in Business Administration.</p>

INNOVATIVE SOLUTIONS FOR THE CHEMICAL PROCESS INDUSTRY



▶ GLASS LINED EQUIPMENT

- Glass Lined Reactors 2 Litres to 60,000 Litres
- Glass Lined Storage Tanks Vertical / Horizontal up to 80,000 Litres
- Columns, Condensers, Conical Dryer Blender, Kilo Lab
- Cryo-lock[®] Agitator System for Superior Mixing Performance
- Glass Lined Pipes & Fittings

The Market Leader of Glass Lined Equipment in India

▶ MAVAZWAG[®] FILTER DRYERS

- 0.1m² to 12.0m²
- Stainless Steel, Hastelloy & Special Alloys
- Glass Lined Agitated Nutsche Filters up to 3.6m²
- High Pharma or Sterile Configurations as per FDA Requirements
- Containment

Know-how & Expertise for Sterile Applications



▶ FUNDA[®] FILTERS

- Rotating Filter Assembly Discharges the Cake in Dry / Slurry Form
- Completely Enclosed Vessel, Ensuring Product Quality, Product Consistency & Operational Safety
- Self-cleaning System
- Suitable for Both Batch & Continuous Processes
- Pre-coating, Filtration, Heel Filtration, Cake Washing, Cake Drying & Discharge are all done in One Closed System

Filtration Made Easy

► MAVAPAD® PADDLE DRYERS

- Large Heat Transfer Area (Vessel Body & Agitator) for Faster Drying
- Flat Ends instead of Dished Ends for Lower Heel Volumes & Better Emptying Characteristics
- Full Door Opening for Easy Cleaning & Validation
- Hollow Rotating Agitator with Improved Paddle Design for Better Heat Transfer
- Lower Operating & Maintenance Cost Compared to Other Dryers

Versatile & Energy Efficient Drying



► MAVASPHERE® SPHERICAL DRYERS

- Minimal Clearance between the Vessel Wall & Agitator for Efficient & Uniform Drying
- Entire Vessel Covered by Jacket for Better Heat Transfer
- Wide Range of Filling Capacities with a Good Turndown Ratio
- Hollow Heated Rotating 3-blade Agitator with Minimal Clearance between Agitator Blade & Vessel Wall
- Discharge at Lowest Point for Complete Product Discharge

Excellent Drying Performance

► ECONOMIX® MIXING SYSTEMS

- Drastic Reduction in Power Consumption
- Reduced Batch Time
- Improved Product Quality
- Improvement in Heat Transfer, Mass Transfer, Blending, Solid Suspension, Blend Time
- Compact Systems with Easy Maintenance

Guaranteed Mixing Performance





► ENGINEERED SYSTEMS

- Wiped Film Evaporators
- Thermal Control Units
- Modular Process Systems
- Auxiliary Equipment – Vacuum Pumps, Pumps, Valves, Heat Exchangers & Instrumentation
- Pre-assembled with Equipment, Piping, Instrumentation & Wiring

Design & Process Expertise with Single Source Responsibility



► TAILOR MADE PROCESS EQUIPMENT

• Heat Exchangers

Diameter : 2 Meters, Thickness of Tube Sheet : 260mm,
Length of Tubes : 10 Meters, Weight : 75 Tons
Material of Construction : Stainless Steel (304L & 304, 316L & 316 / (Urea Grade),
321, Duplex, 2RE69), Naval Brass, Carbon Steel, Clad Steels

• Pressure Vessels

Diameter : 6 Meters, Thickness : Stainless Steel 50mm, Carbon Steel - 80mm,
Length : 39 Meters, Weight : 110 Tons
Material of Construction : Low Alloy Steel (SA 387 Grade 11),
Hastelloy (276, C22, C2000, B2, B3 & Alloy 59),
Stainless Steel (904L, 304L, 316L & 316Ti, 321, Duplex), Monel 400,
Inconel (825 & 600), Clad Steels, Carbon Steel

- In-house Design & Engineering Capabilities along with our State-of-the-Art Manufacturing Facility

Ability to Handle the Most Complex & Non Standard Specifications

TEN YEAR FINANCIAL HIGHLIGHTS

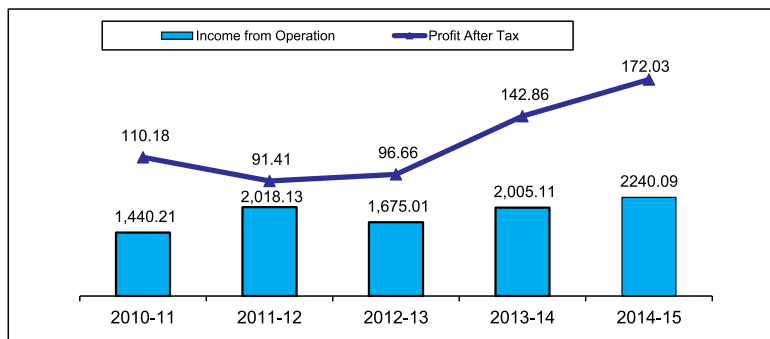
₹ in Millions

Description	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
OPERATING RESULTS										
Income from Operations	2,240.09	2,005.11	1,675.01	2,018.13	1,440.21	1,544.78	1,466.81	1,420.06	1,149.49	1,017.64
Other Income	33.50	29.27	52.30	28.80	26.16	27.02	35.22	53.70	29.19	27.40
Profit before Depreciation, Interest & Tax	347.08	298.03	195.33	190.91	205.84	207.16	203.18	267.15	225.85	214.04
Depreciation	80.86	70.81	55.93	49.10	34.74	33.34	32.61	27.40	23.83	23.29
Interest	5.18	10.55	7.28	11.65	8.81	6.56	13.05	16.72	12.20	8.63
Profit before Tax	261.04	216.67	132.12	130.16	162.29	167.25	157.52	223.03	189.81	182.13
Profit after Tax	172.03	142.86	96.66	91.41	110.18	114.43	102.27	155.58	120.86	122.20
Dividends	43.86	43.85	40.93	40.93	40.93	40.93	40.93	40.93	35.08	35.08
Dividend per share (₹)	3.00	3.00	2.80	2.80	2.80	2.80	2.80	2.80	*2.40	*2.40
Earning per share (₹)	11.77	9.77	6.61	6.25	7.54	7.56	7.00	10.64	*8.27	*8.36
Book value per share (₹)	87.73	79.85	73.60	70.14	67.19	62.90	58.62	54.89	*47.52	*42.00
FINANCIAL SUMMARY										
ASSETS EMPLOYED										
Fixed Assets (net)	376.18	383.00	421.79	409.68	346.09	288.25	299.64	298.04	264.06	270.43
Investments	337.19	336.46	330.24	295.87	283.24	119.48	111.98	89.55	192.91	172.88
Net Working Capital	567.07	448.03	323.99	319.71	396.12	511.72	445.14	521.59	364.76	192.89
Total	1,282.44	1,167.49	1,076.02	1,025.26	1,025.45	919.45	856.76	909.19	821.73	636.19
FINANCED BY										
Share Capital	29.23	29.23	29.23	29.23	29.23	29.23	29.23	29.23	29.23	29.23
Reserves & Surplus	1,253.21	1,138.26	1,046.79	996.03	952.51	890.22	827.53	773.14	665.44	584.84
Loan Funds	-	-	-	-	43.71	-	-	106.81	127.06	22.12
Total	1,282.44	1,167.49	1,076.02	1,025.26	1,025.45	919.45	856.76	909.19	821.73	636.19

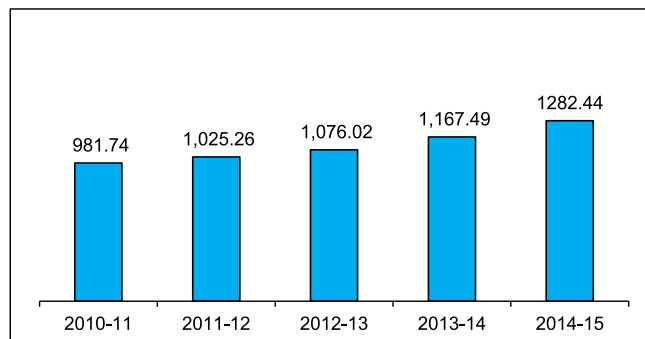
*Calculated based on revised numbers of shares after the stock sub division from ₹ 10/- per share to ₹ 2/- per share on 31-10-2006.

FIVE YEAR FINANCIAL HIGHLIGHTS 2010-2011 TO 2014-2015

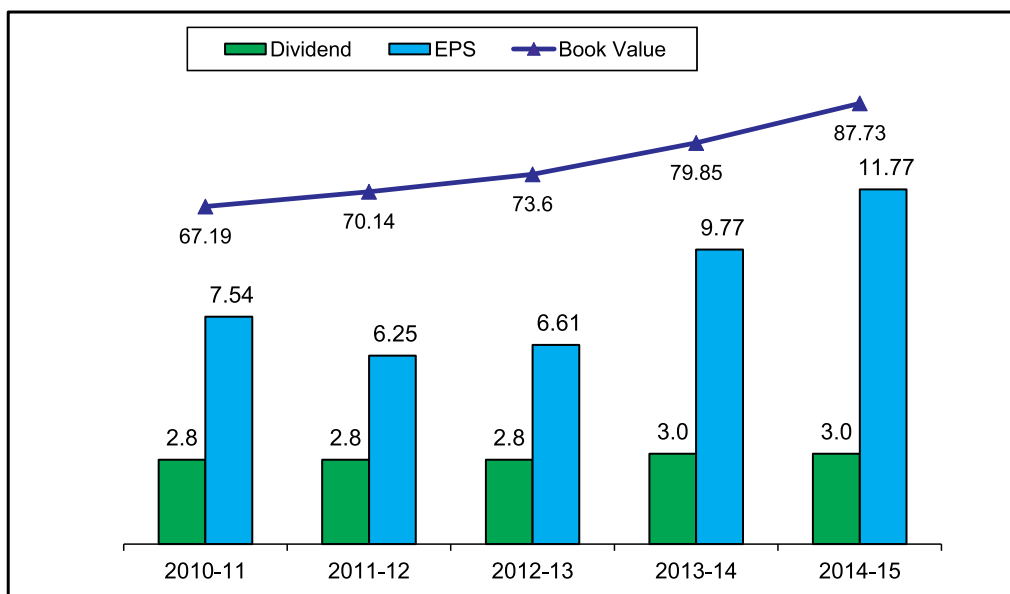
Income from Operation & Profit After Tax (₹ in Millions)



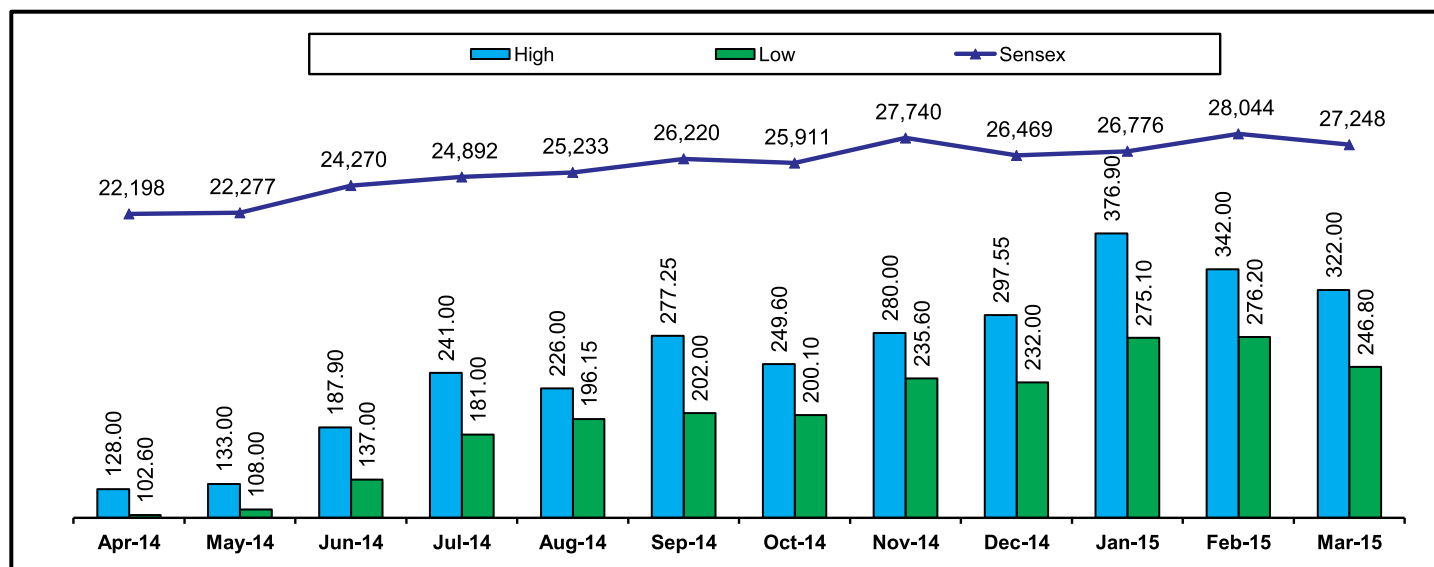
Networth (₹ in Millions)



Dividend, Earning Per Share & Book Value per share (₹)



Highs and Lows of Shares Prices (₹) & BSE Sensex



NOTICE:

NOTICE is hereby given that the Fifty Second Annual General Meeting of GMM Pfaudler Limited will be held on Monday, September 28, 2015 at 10.00 a.m. at Sardar Vallabhbhai Patel and Veer Vithalbhai Patel Memorial, Anand-Sojitra Road, Karamsad - 388 325, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2015, together with the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of three interim dividends paid during the financial year ended March 31, 2015 and to declare final dividend for the financial year ended March 31, 2015.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force), M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Firm Registration No. 117366W), Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this 52nd Annual General Meeting until the conclusion of the 53rd Annual General Meeting of the Company, at a remuneration to be decided by the Audit Committee and the Board of Directors and the Auditors.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force), M/s. Dalwadi & Associates, Cost Accountants, (ICWA Registration No. 8996) appointed as Cost Auditors by the Board of Directors of the Company be paid a remuneration of ₹ 125,000 (One Hundred and Twenty Five Thousand) plus service tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit for the financial year ending March 31, 2016.

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

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per the recommendation of the Nomination & Remuneration Committee, Mr. P. Krishnamurthy (DIN 00013565), a Non Executive Director of the Company whose period of office is liable to retirement of Directors by rotation (under the erstwhile Companies Act, 1956) who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013; who is eligible for appointment and in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years from February 12, 2015 upto and including February 11, 2020 and whose office shall not be liable to retire by rotation.”

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and as per the recommendation of the Nomination & Remuneration Committee, Dr. S. Sivaram (DIN 00009900), a Non Executive Director of the Company whose period of office is liable to retirement of Directors by rotation (under the erstwhile Companies Act, 1956) who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013; who is eligible for appointment and in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years from February 12, 2015 upto and including February 11, 2020 and whose office shall not be liable to retire by rotation.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
- "RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and as per the recommendation of the Nomination & Remuneration Committee, Dr. Amrita Patel (DIN 00065052), who was appointed as Additional Director by the Board of Directors with effect from December 11, 2014, in terms of Section 161 of the Companies Act, 2013, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013; who is eligible for appointment and in respect of whom the Company has received a Notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years from December 11, 2014 upto and including December 10, 2019 and whose office shall not be liable to retire by rotation."
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
- "RESOLVED THAT** consent of members be granted for modification in terms of appointment of Mr. Ashok Patel (DIN 00165858), who was appointed as a Director of the Company whose period of office was not liable to retirement of Directors by rotation (under the erstwhile Companies Act, 1956) to liable to retirement by rotation."
9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
- "RESOLVED THAT** pursuant to the provisions of Sections 190, 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee, the consent of the Company, be and is hereby accorded to the appointment of and payment of remuneration to Mr. Tarak Patel (DIN-00166183) as the Managing Director of the Company for a period of five years, with effect from June 1, 2015 up to May 31, 2020, upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors and Nomination and Remuneration Committee of the Company) to alter and vary the terms and conditions of the said appointment / remuneration in such manner as may be agreed to between the Board and Mr. Tarak Patel.
- RESOLVED FURTHER THAT** Mr. Tarak Patel shall not be liable to retirement by rotation.
- RESOLVED FURTHER THAT** the draft of the management agreement, to be entered into between the Company and Mr. Tarak Patel, was tabled and is hereby approved by the Members of the Company.
- RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient and to do any acts, deeds, matters and things to give effect to this resolution."
10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
- "RESOLVED THAT** pursuant to the provisions contained in Sections 190, 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) thereof for the time being in force), consent of the Company, be and is hereby accorded for payment of remuneration to Mr. Tarak Patel (DIN 00166183) as Executive Director of the Company for the period from April 1, 2014 upto May 31, 2015 on the revised terms as are set out under Item No. 10 of the Explanatory Statement annexed to this Notice.
- RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient and to do any acts, deeds, matters and things to give effect to this resolution."
11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
- "RESOLVED THAT** Mr. Thomas Kehl (DIN 06935094), who was appointed as a Director of the Company w.e.f. May 19, 2015 in casual vacancy to hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retirement by rotation."

12. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution subject to passing of resolution no. 11:

“RESOLVED THAT Mr. Thomas Kehl (DIN 06935094) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby appointed as Director of the Company.”

13. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Khurshed Thanawalla (DIN 00201749), who was appointed as a Director of the Company w.e.f. June 30, 2015 in casual vacancy to hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retirement by rotation.”

14. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Tom Alzin (DIN 07229180), who was appointed as a Director of the Company w.e.f. July 7, 2015 in casual vacancy to hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retirement by rotation.”

15. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions contained in Sections 190, 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) thereof for the time being in force), consent of the Company, be and is hereby accorded for payment of remuneration to Mr. Ashok Pillai (DIN-00167849) as Wholtime Director of the Company for the period from May 19, 2015 upto July 6, 2015 on the terms as are set out under Item No. 15 of the Explanatory Statement annexed to this Notice.

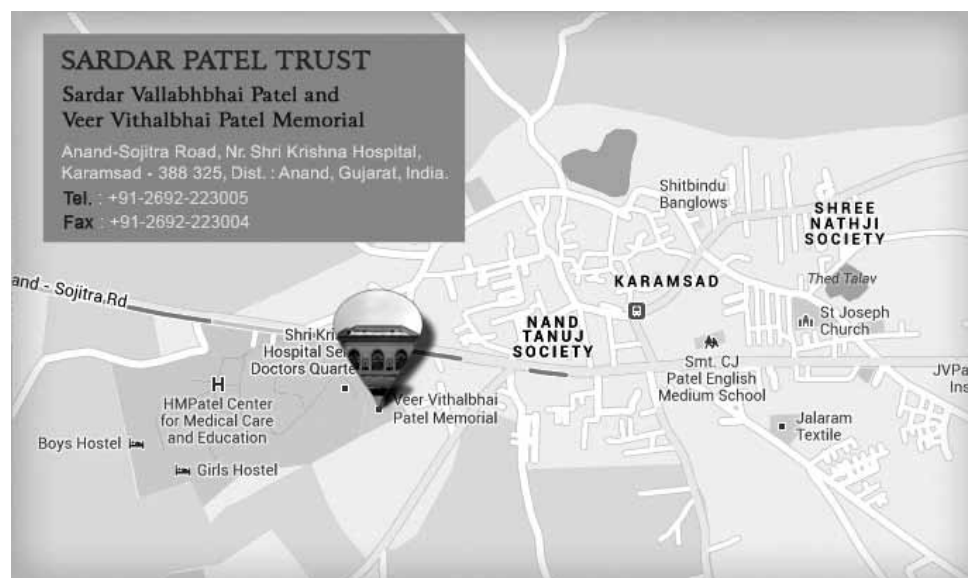
RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient and to do any acts, deeds, matters and things to give effect to this resolution.”

**By Order of the Board of Director
For GMM Pfaudler Limited**

**Mittal Mehta
Company Secretary
M. No. F7848**

Mumbai, July 30, 2015

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



NOTES:

- i. **A member entitled to attend and vote at the Annual General Meeting ("the Meeting") is entitled to appoint a proxy to attend and to vote on a poll instead of himself and the proxy need not be a member of the Company.**

The instrument appointing the proxy, in order to be effective, should be duly signed, stamped and completed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

- ii. Corporate members intending to send their Authorized Representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting together with the specimen of the Authorized Representative.
- iii. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Item no. 3 to 15 to be transacted at the Meeting is annexed hereto and forms a part of this Notice.
- iv. A brief profile of Directors in respect of Item Nos. 5 to 15 pursuant to Clause 49 of the Listing Agreement with BSE Limited is annexed to this Notice.
- v. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 18, 2015 to Monday, September 28, 2015, (both days inclusive).
- vi. Final dividend of ₹ 0.90 per Equity Share of ₹ 2 each, as recommended by the Board of Directors, if approved by the members at this Annual General Meeting, will be paid to the members whose name appears on the Register of Members as on September 17, 2015 and to the Beneficial Owners of shares as on September 17, 2015, as per details furnished by the Depositories for this purpose.
- vii. In terms of the applicable provisions of the Companies Act, 2013, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Those members who have so far not encashed their Dividend Warrants may claim or approach the Company/Registrars and Share Transfer Agents for the payment thereof. Kindly note that after such dates the members will have to claim such dividend from such IEPF in accordance with the Rules prescribed by the Central Government under the Companies Act, 2013.

The details of dividend declared / paid from the year 2009-10 onwards proposed to be transferred to IEPF until the conclusion of the next Annual General Meeting are given below:

Date of declaration	Dividend for the year	Dividend ₹ per share	Due date of the proposed transfer to IEPF
23-Oct-2008	2nd Interim Dividend (2008-09)	₹ 0.70	30-Oct-2015
27-Jan-2009	3rd Interim Dividend (2008-09)	₹ 0.70	03-Feb-2016
27-Apr-2009	4th Interim Dividend (2008-09)	₹ 0.70	03-May-2016
28-Jul-2009	1st Interim Dividend (2009-10)	₹ 0.70	03-Aug-2016
15-Oct-2009	2nd Interim Dividend (2009-10)	₹ 0.70	21-Oct-2016

- viii. Members are requested to notify immediately any change in their address and/ or the Bank Mandate details to the Company's Registrars and Share Transfer Agents (RTA) for shares held in physical form and to their respective Depository Participants for shares held in electronic form.
- ix. Listing fees to the BSE Limited has been paid up to March 31, 2016.

x. Payment of dividend through National Electronic Clearing Service (NECS):

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

xi. Nomination of Shares:

Every individual shareholder of the Company may at any time, nominate in the prescribed manner a person to whom his / her shares shall vest in the event of death. The Nomination Form is available with the RTA. In case shares are held in joint names, all the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares of the Company shall vest in the event of death of all the joint holders.

xii. Matters relating to Transfer / Transmission / Dematerialization of Shares:

Members are requested to correspond with RTA of the Company, Link Intime India Private Limited, at the address mentioned earlier in this Annual Report for the matters relating to transfers, transmission, dematerializations, nomination of shares and other shareholding matters.

xiii. Auditor's appointment requires Special Resolution:

As per Article 160 of the Articles of Association of the Company, Members will be required to appoint the Auditors by a Special Resolution at the Annual General Meeting for the current financial year.

xiv. Information / Clarifications on the Annual reports by Members:

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

xv. Members who have not registered their e-mail addresses so far or who would like to change their email address already registered, are requested to register/ update their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Members holding shares in electronic form are requested to register their email address/ update the same with their respective depositories.

xvi. Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by the Companies. The shareholders can receive various notices and documents including Annual Report of the Companies through electronic mode. To support this laudable move by the Government, the members who have not registered their e-mail address, so far, are requested to do so at the earliest, in respect of demat holding through the respective Depository Participant (DP) and in respect of the physical holding through the RTA.

xvii. The Annual Report and other documents will also be available on the Company's website www.gmmpfaudler.com. The Company will be sending physical copy of Annual Report and other documents to all shareholders whose email address is not available with the Company. You may, anytime, request a printed copy of the Annual Report and other documents from the Company in spite of having registered under E-Communication facility.

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

xix. Voting through electronic means:

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide its members, the facility to exercise their vote through electronic means i.e. 'remote e-voting' on resolutions proposed to be passed at this Annual General Meeting.

The facility for voting through ballot papers will also be provided at the Annual general Meeting. The members attending the meeting who have not cast their vote earlier by remote e-voting shall be entitled to vote at the meeting. A member can participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.

The cut-off date for the purpose of remote e-voting & voting at the Annual General Meeting is September 21, 2015.

Commencement of e-voting	:	From 10:00 a.m. (IST) on September 25, 2015
End of e-voting	:	Upto 5:00 p.m. (IST) on September 27, 2015

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

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

The Results shall be declared by the Chairman or any other person authorized by him in writing on or within a period of two days from the conclusion of the Annual General Meeting (AGM). The Results declared along with the Consolidated Report of the Scrutinizer shall be immediately placed on the website of the Company i.e. www.gmmpfaudler.com and on the website of CDSL. The results shall simultaneously be forwarded to the BSE Limited, Mumbai.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Deloitte has been appointed as the group auditors of Pfaudler. In order to bring uniformity in audit, it is proposed to appoint M/s. Deloitte Haskins & Sells as Statutory Auditors of the Company. The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Deloitte Haskins & Sells as Statutory Auditors of the Company subject to the approval of shareholders at the ensuing Annual General Meeting.

Consequent thereto, M/s. Kalyaniwalla & Mistry, the current statutory auditors have agreed that they will not offer themselves for reappointment at the ensuing Annual General meeting.

The Board recommends the resolutions at Item No. 3 of the accompanying Notice for approval of the members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Dalwadi & Associates, Cost Accountants, as Cost Auditors of the Company for the financial year ending March 31, 2016.

Remuneration payable to M/s. Dalwadi & Associates, Cost Auditors of the Company for the financial year ending March 31, 2016 was recommended by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on May 19, 2015.

In accordance with Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors is required to be ratified by the shareholders of the Company.

The Board recommends the resolution at Item No. 4 of the accompanying Notice for approval of the members.

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

Item Nos. 5, 6 & 7

Pursuant to the General Circular No. 14/2014 dated 9th June, 2014 issued by the Ministry of Corporate Affairs, it has been clarified that the appointment of Independent Directors must be made expressly within one year from 1st April 2014.

Accordingly, the Board of Directors at its meeting held on February 12, 2015 appointed Mr. P. Krishnamurthy and Dr. S. Sivaram as the Independent Directors of the Company for a period of five years with effect from February 12, 2015.

Further, Dr. Amrita Patel was appointed as Non-Executive Additional (Independent) Director on the Board w.e.f. December 11, 2014. In accordance with the provisions of Section 161 of the Companies Act, 2013, she shall hold office till the date of the ensuing Annual General meeting.

Pursuant to Sections 149 and 152 and Schedule IV of the Companies Act, 2013 read with Companies Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint:

- (a) Mr. P. Krishnamurthy and Dr. S. Sivaram as Independent Directors of the Company for a period of five years upto February 11, 2020; and
- (b) Dr. Amrita Patel as an Independent Director of the Company for a period of five years up to December 10, 2019.

The aforesaid Directors of the Company are not liable to retirement by rotation pursuant to Section 149(13) of the Companies Act, 2013.

The Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013 with a deposit of ₹ 1,00,000 each proposing the candidatures of Mr. P. Krishnamurthy, Dr. S. Sivaram and Dr. Amrita Patel for the office of Director of the Company.

A brief profile of all the aforesaid Independent Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership/ chairmanship of Board Committees etc., as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges is attached at page nos. 2 and 3.

The Independent Directors do not hold any shares in the Company, except Dr. Amrita Patel holds 375 shares in the Company.

All the aforesaid Independent Directors have given a declaration to the Board of Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and are not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Board of Directors believes that vast experience and knowledge of the aforesaid directors shall be beneficial for the progress of the Company. Hence in the interest of the Company, the Board recommends the appointment of Mr. P. Krishnamurthy, Dr. S. Sivaram and Dr. Amrita Patel as Independent Directors as set out at Item Nos. 5 to 7 of the Notice.

Upon the confirmation of the appointment of these individuals as Independent Directors by the Members of the Company, the appointment shall be formalized by the issue of a letter of appointment by the Company to the said Independent Directors. Copy of the draft letter of appointment of all aforesaid directors as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Save and except the Independent Directors and their relatives in their respective appointment, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out at Item Nos. 5 to 7 of the Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

Item No. 8

Mr. Ashok Patel has been on the Board of Directors of the Company since 1972 and served as Managing Director of the Company for a period of 37 years. Mr. Ashok Patel has resigned as Managing Director of the Company w.e.f. May 31, 2015 but is continuing as a Non-Executive Director of the Company. Taking into consideration Mr. Patel's qualification and experience, the Board considers that his continued association would be of immense benefit to the Company and it is desirable to avail his services as a Director of the Company.

Mr. Ashok Patel's earlier term was that of a Director not retiring by rotation. Since he has resigned as Managing Director, it is proposed to change the terms of Mr. Ashok Patel to that of a Director retiring by rotation.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 with a deposit of ₹ 1,00,000 from a member proposing the candidature of Mr. Ashok Patel for the office of Director of the Company.

A brief profile of Mr. Ashok Patel is attached at page no. 2.

The Board recommends the resolutions at Item No. 8 & 9 of the accompanying Notice for approval of the members.

Except Mr. Ashok Patel and his relatives and Mr. Tarak Patel being the son of Mr. Ashok Patel, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 8.

Item No. 9

Mr. Tarak Patel has been serving as the Executive Director of the Company since 2007. Considering Mr. Tarak Patel's wide experience and the significant contributions made by him to the Company, the Board of Directors at its meeting held on May 19, 2015 after considering the recommendations of the Nomination and Remuneration Committee, has proposed to appoint Mr. Tarak Patel as the Managing Director of the Company for a period of five years with effect from June 1, 2015 subject to approval of shareholders at the ensuing Annual General Meeting.

The Board of Directors at their meeting held on May 19, 2015 has approved the remuneration to be paid to Mr. Tarak Patel as the Managing Director for a period of three years subject to approval of the shareholders by a special resolution as under:

Remuneration:

The Managing Director to be paid a maximum remuneration of ₹ 50,00,000 (Rupees Fifty Lacs only) per annum for a period of three years subject to approval of the shareholders by a Special resolution as per the details and other terms and conditions as under:

- a. ₹ 282,000 as basic monthly salary payable monthly, in arrears at the end of each month.
- b. Medical expenses incurred for the Managing Director and his family subject to a ceiling of one month's basic salary per annum; where 'family' shall mean the wife and dependent children of the Director.
- c. Leave Travel allowance incurred for the Managing Director and his family subject to a ceiling of one month's basic salary per annum; where, 'family' shall mean the wife and dependent children of the Director.
- d. Premium for Personal Accident Insurance Policy.
- e. Contribution to the Provident Fund, Gratuity and Superannuation Fund or Annuity Fund in accordance with the Applicable law, which will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- f. Leave with full pay and allowance as per the rules of the Company, which shall not exceed 1 (one) month's leave for every 11 (eleven) months' of service. Unavailed Leave may be encashed. Encashment of leave at the end of the tenure will not be included the computation of the ceiling on perquisites.

Perquisites:

In addition to the remuneration as stated above, Mr. Tarak Patel shall be entitled, as per Rule of the Company, to perquisites like:

- a. Fees of clubs, subject to a maximum of two clubs. This will not include admission and life membership fees.
- b. Rent Free Accommodation.
- c. Provision of Company's car with driver for use on Company's business and telephone at the residence of the Managing Director shall not be considered as perquisites. Further, personal long distance telephone bills and use of the car for private purpose shall be billed by the Company and the Managing Director shall be entitled to the reimbursement of entertainment expenses actually and properly incurred by him for the business of the Company.

Commission:

The Managing Director shall also be entitled to receive commission in addition to the above remuneration and perquisites as may be recommended by the Nomination & Remuneration Committee and approved by the Board/Committee of the Board based on the net profits of the Company of the respective financial year. The aforesaid remuneration, perquisites and commission payable to Mr. Tarak Patel is subject to the overall limit of 5% of the net profits of the Company, as prescribed under Section 197 read with Schedule V of the Companies Act, 2013.

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

The other main terms and conditions of appointment of Mr. Tarak Patel as Managing Director are as under:

- (i) The Managing Director shall exercise and perform such powers and duties as the Board shall from time to time delegate.
- (ii) The Managing Director will be paid compensation for the loss of his office or for retirement from the office in accordance with the provisions of Section 191 and 202 of the Companies Act, 2013 or any other provisions of the law for the time being in force.
- (iii) The Managing Director may resign from his office upon giving three months notice in writing to the Company.

The explanation together with accompanying notice may also be considered as an abstract of the terms of appointment of the Managing Director and memorandum as to nature of concern or interest of Directors in the said appointment as required under Section 190 of the Companies Act, 2013.

The information required under Clause (iv) of Paragraph 1(B) of Section II in Part II of Schedule V of the Companies Act, 2013 is as under:

I. GENERAL INFORMATION

NATURE OF INDUSTRY

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

The Company was incorporated in 1962 and commenced commercial production in 1965.

FINANCIAL PERFORMANCE

Mr. Tarak Patel was appointed as Executive Director of the Company in 2007. During Mr. Patel's tenure the Company has grown satisfactorily as can be seen from the financial indicators given below for the year ending March 31:

(₹ In Millions)

	2015	2014	2013	2012	2011	2007
Income from Operations	2,240.09	2005.11	1675.01	2018.13	1,440.21	1,149.49
Profit After Tax	172.03	142.86	96.66	91.41	110.18	120.86
Fixed Assets	376.18	383.00	421.79	409.68	346.09	264.06
Share Capital	29.23	29.23	29.23	29.23	29.23	29.23
Reserves	1,253.21	1138.26	1046.79	996.03	952.51	665.44
Dividend %	150	150	140	140	140	120

EXPORT AND NET FOREIGN EXCHANGE EARNINGS

The Company primarily exports glasslined equipment and parts. The Company's exports have grown steadily. The Company is a net foreign exchange earner as shown below for the year ending March 31:

(₹ in Millions)

	2015	2014	2013	2012	2011	2007
Export	341.0	429.80	102.56	154.38	34.32	145.59
Net Foreign Exchange Earned	350.87	434.17	113.89	162.85	31.87	144.23

FOREIGN INVESTMENTS OR COLLABORATIONS

The Company has entered into a foreign collaboration with Pfaudler Inc. USA since year 1987. The foreign promoter holds 50.44% shareholding in the Company as on March 31, 2015.

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

II. INFORMATION ABOUT THE APPOINTEE

Mr. Tarak Patel joined the Company in 2001 as Sales Executive and was thereafter appointed as Executive Director on the Board of GMM on January 30, 2007. Prior to joining GMM Pfaudler Limited, he worked with Universal Consulting, a leading Strategy Management Consulting & Growth Strategy Consulting Company based in Mumbai, India.

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

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

REMUNERATION

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

JOB PROFILE AND SUITABILITY

Mr. Tarak Patel, as Managing Director, is responsible for the operation and affairs of the Company. He is also responsible for developing a long term strategy to ensure the Company's growth in both sales and profit. Taking into consideration Mr. Patel's qualification and experience, he is best suited for the responsibilities assigned to him by the Board of Directors.

PECUNIARY RELATIONSHIP DIRECTLY OR INDIRECTLY WITH THE COMPANY

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

III. OTHER INFORMATION

For the year ended March 31, 2015, the Company reported a net profit of ₹ 172 Millions.

Demand for Company's product and services continues to grow. The Company continues to have a healthy back log of orders. The Company has taken several initiatives in strengthening its sales and marketing organization and after sales service set up.

Steps taken or proposed to be taken for improvement:

- Improving manufacturing efficiency in Glassline Vessel division.
- Technology upgradation for filtration & drying products.
- Energy saving initiatives including installation of Natural Gas furnace has resulted in significant savings in power and fuel consumption and has also proved to be step towards eco-friendly production practices.
- Entering into market of newer Industries and technologies like biotechnology, food articles, processing etc. to increase the customer base of the Company.
- Introduction of new products into alloy market like dryers, Funda filters, etc.
- Focus on export market in view of growth opportunities and better profitability.
- Adoption of the design of its Swiss subsidiary Mavag for the Agitated Nutsche Filters/ Dryers has improved the overall quality of the product and provides competitive edge in the market place.
- The Company has also installed a new state of-art shot blasting machine, imported from UK to improve process efficiency and reduced pollution.

With the above initiatives and benefit from technology transfer and synergic benefits of subsidiaries, the Company is expected to achieve higher sales growth and increased profitability.

A brief profile of Mr. Tarak Patel is attached at page no 2.

The Board recommends the resolution at Item No. 9 of the accompanying Notice for approval of the members.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 with a deposit of ₹ 1,00,000 from a member proposing the candidature of Mr. Tarak Patel for the office of Managing Director of the Company.

Except Mr. Tarak Patel and his relatives and Mr. Ashok Patel being the father of Mr. Tarak Patel, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 9.

Item No. 10

Mr. Tarak Patel's remuneration as the Executive Director of the company was revised by the Board of Directors from ₹ 32.98 lakh per annum to ₹ 37.60 lakh per annum, in their meeting held on October 21, 2014, after considering the recommendations of the Nomination and Remuneration Committee, subject to approval of the shareholders. The revision which was made in October 2014 was effective from April 1, 2014 as per the details as under:

I. Revised Remuneration:

1. Basic Salary of : ₹ 139,000 per month.
2. Allowances per month:
 - Variable House Rent Allowance : @ 60% of the basic salary
 - Fixed House Rent Allowance : ₹ 6,000/- per month
 - City Allowance : ₹ 2,500/- per month
 - Education Allowance : ₹ 500/- per month
 - Additional Allowance : ₹ 6,000/- per month
 - Statutory Bonus : ₹ 8,400/- per annum
3. Variable Pay of : ₹ 100,000 per annum

II. Perquisites:

In addition to the above salary, Mr. Tarak Patel was entitled to the following perquisites classified into three categories as Part 'A', 'B' and 'C' as under:

Part A

- i. Reimbursement of medical expenses (including Hospitalization) for self and family not exceeding an amount equal to one month's basic salary in a year.
- ii. Leave Travel Assistance for self and family not exceeding an amount equal to one month's basic salary in a year.
- iii. Personal Accident Insurance as per the rules applicable of the Company.

Part B

Contribution to the Provident Fund, Gratuity and Superannuation Fund or Pension Fund in accordance with rules of the company and the applicable laws

Part C

Provision of Company's car with driver for use on Company's business and telephone at the residence of the Executive Director is not to be considered as perquisites. Personal long distance telephone bills and use of the car for private purpose shall be billed by the Company. The Executive Director shall be entitled to the reimbursement of entertainment expenses actually and properly incurred by him for the business of the Company.

As approved by the Board of Directors & recommended by the Nomination & Remuneration Committee Mr. Tarak Patel was paid additionally a Performance Incentive of ₹ 10,00,000 (Rupees Ten lacs only) for the year 2014-15.

The overall remuneration for Mr. Tarak Patel as Executive Director is within the overall limit of 5% of the net profits of the Company, as prescribed under Section 197 read with Schedule V of the Companies Act, 2013.

The Board recommends the resolution at Item No. 10 of the accompanying Notice for approval of the members.

Except Mr. Tarak Patel and his relatives and Mr. Ashok Patel being the father of Mr. Tarak Patel, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 10.

Item No. 11 & 12

Mr. Thomas Kehl, a Non Executive Director of the Company, was nominated by Pfaudler Inc. as a Director with effect from May 19, 2015 to fill in the casual vacancy caused by the resignation of Mr. Michael Reed.

Pursuant to provisions of Section 161 of the Companies Act, 2013, read with Article 120 of the Articles of Association of the Company, Mr. Kehl holds office only upto the date of this Annual General Meeting. A notice has been received from a member proposing Mr. Kehl as a candidate for the office of Director of the Company liable to retire by rotation.

A brief profile of Mr. Thomas Kehl is attached at page no. 3.

Mr. Thomas Kehl has been longest in the Director's office amongst the other retiring Directors. Therefore, Mr. Kehl shall be liable to retirement by rotation at this Annual General Meeting and is eligible for re-appointment.

The Board recommends the resolution at Item Nos. 11 & 12 of the accompanying Notice for approval of the members.

Except Mr. Thomas Kehl and his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 11 & 12.

Item No. 13

Mr. Khurshed Thanawalla, a Non Executive Director of the Company, was appointed as a Director with effect from June 30, 2015 nominated by Pfaudler Inc. to fill in the casual vacancy caused by the resignation of Ms. Soha Shirke.

A brief profile of Mr. Khurshed Thanawalla is attached at page no. 3.

The Board recommends the resolution at Item No. 13 of the accompanying Notice for approval of the members.

Except Mr. Khurshed Thanawalla and his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 13.

Item No. 14

Mr. Tom Alzin, a Non Executive Director of the Company, was appointed as a Director with effect from July 7, 2015 nominated by Pfaudler Inc. to fill in the casual vacancy caused by the resignation of Mr. Ashok Pillai.

Pursuant to provisions of Section 161 of the Companies Act, 2013, read with Article 120 of the Articles of Association of the Company, Mr. Alzin holds office only upto the date of this Annual General Meeting. A notice has been received from a member proposing Mr. Alzin as a candidate for the office of Director of the Company liable to retire by rotation.

A brief profile of Mr. Tom Alzin is attached at page no. 3.

The Board recommends the resolution at Item No. 14 of the accompanying Notice for approval of the members.

Except Mr. Tom Alzin and his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 14.

Item No. 15

Mr. Ashok Pillai, Chief Operating Officer of the Company was nominated by Pfaudler Inc. as a Director with effect from May 19, 2015 in place of Mr. Darius Shroff.

Mr. Ashok Pillai has tendered his resignation as Director of the Company with effect from July 6, 2015.

Pursuant to the recommendation of the Nomination and Remuneration Committee, it is proposed to consider the payment of salary made to Mr. Ashok Pillai as Chief Operating Officer for the period May 19, 2015 upto July 6, 2015 aggregating ₹ 779,510 (Rupees Seven Lacs Seventy Nine Thousand Five Hundred and Ten) as the remuneration paid to Wholetime Director as per the Companies Act, 2013 and Rules made there under.

The Board recommends the resolution at Item No. 15 of the accompanying Notice for approval of the members.

Except Mr. Ashok Pillai and his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 15.

**By Order of the Board of Directors
For GMM Pfaudler Limited**

Mittal Mehta
Company Secretary
M. No. F7848

Mumbai, July 30, 2015

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

REPORT OF THE DIRECTORS

To the Members:

The Directors have pleasure in presenting the Fifty Second Annual Report and the Audited Financial Statement of the Company for the year ended March 31, 2015.

1. FINANCIAL RESULTS:

(₹ in Million)

	Year ended 31.03.15	Year ended 31.03.14
Sales and Other Operating Income	2,240.09	2,005.11
Profit before tax	261.04	216.67
Profit after tax	172.03	142.86
Surplus brought forward	794.20	717.21
Amount available for appropriation	966.23	860.07
Appropriations:		
Interim Dividends	30.70	30.70
Final Dividend	13.16	13.16
Tax on distributed profit	8.50	7.53
	52.36	51.39
Transfer to General Reserve	17.20	14.49
Adjustment to opening Retained Earnings	4.71	-
Surplus Carried Forward to Profit & Loss Account	891.96	794.19
	966.23	860.07
Per share data (₹)		
Face value of Equity Share	2.00	2.00
Dividend per share	3.00	2.80
Market Price of Shares		
High	376.90	114.40
Low	102.60	62.00
Close on March 31	285.70	104.90
Earnings Per share	11.77	9.77

2. FINANCIAL REVIEW:

Sales & Other Operating income for the year of ₹ 2,240.09 million grew by 12% over the previous year due to healthy opening order backlog and export sales. Sales of glass line products increased by 16% and sales of non-glassline products increased by 4% compared to the previous year. Order receipts during the year improved by 8% over previous year.

Profit before tax for the year of ₹ 261.04 million was 20% above ₹ 216.67 million in the previous year and Profit after tax increased by 20% to ₹ 172.03 million from ₹ 142.86 million in the previous year. Earnings per share increased by 20% to ₹ 11.77 per share as compared to ₹ 9.77 of the previous year.

On Consolidated basis Sales & Other Operating income for the year of ₹ 3,076.28 million grew by 10% over the previous year. Profit before tax for the year of ₹ 281.85 million was 4% above ₹ 270.85 million in the previous year. However, profit after tax decreased marginally by 1% to ₹ 188.67 million from ₹ 190.62 million in the previous year.

Performance of the Company's Swiss subsidiary, Mavag AG remained steady during the year. Sales for the year of ₹ 851.92 million was 3% below ₹ 875.88 million in the previous year due to appreciation of INR against Swiss Franc. Profit after tax for the year decreased by 67% to ₹ 16.21 million, as compared to ₹ 48.75 million in the previous year due to foreign exchange fluctuation loss and some one time expenditure.

3. DIVIDEND:

During the year under review, the Board of Directors approved payment of three interim dividends of ₹ 0.70 per share each aggregating to ₹ 2.10 per share. The total amount distributed as interim dividends on the paid-up share capital for the year amounted to ₹ 30.70 million (excluding dividend tax of ₹ 5.83 million).

Based on the performance of the Company for the year and in view of the track record of the Company, the Board of Directors is pleased to recommend the payment of a final dividend of ₹ 0.90 per equity shares amounting to ₹ 13.16 million (excluding dividend tax of ₹ 2.67 million), subject to approval of the Shareholders in the Annual General Meeting.

The aggregate amount of interim dividends paid during the year and the final dividend recommended for the year shall be ₹ 3.00 per share i.e. aggregating to ₹ 43.86 million (excluding dividend tax of ₹ 8.50 million).

4. RESERVES:

The Board has recommended transfer of ₹ 17.20 million (being 10% of net profit) to the General Reserve out of the amount available for appropriation and an amount of ₹ 891.96 million of Profit & Loss Account for this year is proposed to be carried forward to the Balance Sheet.

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

Karamsad Holdings Limited, Karamsad Investments Limited, GMM Mavag AG and Mavag AG are wholly owned subsidiaries of the Company. The performance and financial position of Karamsad Holdings Limited, Karamsad Investments Limited, GMM Mavag AG and Mavag AG for the year ended March 31, 2015 is annexed herewith as '**Annexure A**' and forms part of this Report. The policy for determining 'material' subsidiaries adopted by the Board is available on Company's website www.gmmpfaudler.com.

6. MANAGEMENT DISCUSSION AND ANALYSIS:

a) Company Overview:

The Company which was established in the year 1962, has a state of the art manufacturing facility spread over a 17 acre plot of land located at Karamsad in Gujarat State, about 45 km from Vadodara. The Company enjoys the leadership position in design, manufacture and marketing of glass-lined reactor vessels, storage tanks, valves and pipe & fittings. The Company also undertakes design and fabrication of specialized chemical process equipment in Alloy steel. It has created for itself a niche position in the chemical process equipment market for proprietary products manufactured by it such as Agitated Nutsche Filters & Filter Dryers, Wiped Film Evaporators, EconoMix Mixing Systems, Thermal Control Units and PTFE lined pipes & fittings. Its access to the Mavag's high end technology for top driven Spherical Dryers, Agitated Nutsche Filters & Filter Dryers for sterile applications and Magnetic Drive Agitators has complemented the Company's position as a complete process solution provider for pharmaceuticals, bio pharmaceuticals, chemicals and allied segments.

b) Industry Structure And Development:

Indian GDP, now based on the value added data series grew at 7.3% in 2014-15, suggesting that a slow and gradual recovering was taking place. Manufacturing sector grew at 7.1% for the year. The GDP is expected to grow by 8% to 8.5% in 2015-16. The Pharmaceuticals industry continues as a fragmented industry with stiff competition, government price controls and limited availability of infrastructure. However, with more MNCs looking for contract or toll manufacturing operations in India, the growth of the Pharma industry is forecasted to be 10% -15% annually.

The industry growth for the chemical industry is expected to grow at a CAGR of 15% till 2020.

We expect to see continued investments by established companies, both Indian and multinationals, as well as from new companies. With increased focus on Key Accounts, the Company expects to see increasing revenues from its existing customers.

c) Opportunities & Threats:

Opportunities continue with migration of chemical companies from the west to India. The Company has also made significant sales of new products of Mavag to the Pharmaceutical and Chemical industry and expects revenues from new products to increase in significance.

In addition to the inclusion of Mavag products the Company has potential for greater share of the customer spend. In addition to the growth in the domestic chemical industry, exports especially of non Glasslined products is expected to offer opportunities for growth.

Threats are from global slowdown evidenced from the sharp fall in oil prices over the year. Other commodities are also showing signs of strain as a consequence of decrease in China's appetite. This could impact and delay new investment.

Inflation control and consequently higher interest rates could also dampen new investments.

d) Financial Performance:

Sales and Operating Income for the year grew by 12% due to renewed focus on export market. Profit from operation during the year improved to 10.4% from 9.9% in the previous year due to improvement in sales realization driven by exports and stability in cost of major input materials and downward trend in cost of natural gas. The Company has focused on the management of working capital which resulted in improved cash flow for the year. The Company has continued to remain debt free Company.

Order receipts during the year improved by 8% over previous year and the position of orders in hand is ₹ 981 million, which is equivalent to four month's production.

e) Segment Wise Operational Performance:

(i) Chemical Process Equipment

This Division of the Company designs manufactures and markets GMM Pfaudler Reactor Systems product line which primarily includes glass-lined corrosion resistant reactors, storage vessels and alloy steel equipment. This Division reported sales of ₹ 1,828.05 million, 11% above that of previous year. This division contributed about 82% of the total sales of the Company. This Division of the Company continues to enjoy the number one manufacturer of glass-lined equipment in India. The profit from this segment was ₹ 267.98 million, a increase of 19% over the previous year primarily due higher sales realization from exports. The capital employed for this division was ₹ 477.52 million, a decrease of 17% from the previous year level.

(ii) Mixing System

The division designs, manufactures and markets EconoMix Agitators which provide solutions to customer's mixing requirements. In addition to serving the CPI, this Division also caters to the bio-technology, mining and waste water treatment industry. Sales of this Division of the Company increased by 9% to ₹ 164.44 million from ₹ 150.52 million in the previous financial year. The profit from this segment was ₹ 18.72 million, an increase of 43% over the previous year. Capital employed for this Division was ₹ 25.33 million, an increase by 2% from the previous year due to increase in working capital due to inventory and receivables.

(iii) Filtration & Separation

This Division's primary business is design, manufacture and marketing of Agitated Nutsche Filter & Filter Dryers for separation of solids & liquid and Wiped Film Evaporators for separation of liquids & liquids with Mavag's high end technology and products. This segment reported a sale of ₹ 247.60 million, an increase of 16% over previous year. But Profits decreased by 5% at ₹ 20.43 million due to lower export in this product line. Capital employed for this Division was ₹ 91.22 million, an increase of 32% from the previous year due to increase in receivables.

f) Outlook:

In line with the overall slowdown in the economy, the demand for some of the Company's products have been volatile.

However, the Company is taking steps to focus on promoting additional value added features in Glassline product as well as high technology Mavag products.

g) Risks and Concerns:

Some of the global economies are slow to recover from the slowdown and uncertainty still persists due to lower crude prices and high volatility in major currencies. This may also have an impact on Company's exports business. Uncertain monsoon, weak investment and volatile industrial output are ongoing concerns.

We have market risk exposure to foreign exchange rates mainly on account of exports and investments in foreign subsidiary Companies. Due to unprecedented volatility in almost all major foreign currencies the export realizations are subjected to the exchange fluctuation risk.

The Company's surplus funds are invested in fixed deposits with banks and in different mutual funds. Income from these investments has market risk exposure to the extent of interest rates fluctuations, short term debt and the equity market.

The power tariffs in Gujarat State are one of the highest in India and any rise in the cost of electricity and natural gas has the effect of increasing the cost of power and fuel. All these factors affect output and profitability. Company's investment in the natural gas furnace which helped overcome the bottleneck caused by the power supply situation was a concern due to rise cost of natural gas.

Finally, the Company's primary raw material is steel, prices of which had shown stability during the year. Certain orders with long manufacturing cycle time may be exposed to the risk of material price volatility.

The Company has a Risk Management Policy framework in place for continuous identification, assessment and measurement of all significant risks. These are reviewed at periodical intervals and the management takes specific action towards minimization and control of areas of risk considering various parameters.

h) Internal Financial Control Systems and their Adequacy:

The Company works with an established framework of internal financial control systems. Policies have been laid down for operation, approval and control of expenditure. Investment decisions involving capital expenditure are subject to formal detailed appraisal and review by approved levels of authority. Capital and Revenue expenditure are monitored and controlled with reference to pre-approved budgets and forecasts.

The Company had carried out a review of its internal control procedures and developed a frame work with the help of an outside Consultant. This is being regularly reviewed to strengthen the control in various business processes.

A firm of Chartered Accountants ensures adequacy of the internal control systems, adherence to Company's policies and procedures, ensure statutory and other compliances through periodical checks and internal audit. The Audit Committee and the Board of Directors of the Company periodically review the reports submitted by the Internal Auditors and corrective steps taken by the Company.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

As the Company manufactures certain equipment which are classified as 'Dual Use' equipment, the Company has put in place 'Know Your Customer' procedure and a system of controls to ensure that the entire process from handling of enquiries to dispatch and service is carefully monitored and controlled to prevent unauthorized use or diversion of our product.

i) Human Resources & Industrial Relations:

The Company firmly believes that its employees are the key to driving performance and developing competitive advantage. The Company nurtures the strong performance driven culture and maintains its focus on development of human resources with insight into areas of performance Management System, Talent Planning and Reward & Recognition with an objective of maintaining harmonious relations with employees. Training workshops and seminars are regularly conducted for workers, staff and managers of the Company with a view to attract and retain talent. The Company has maintained an amicable relationship with the Union.

On March 31, 2015 the Company's total permanent employee strength was 344, two less than the strength as on March 31, 2014.

j) Cautionary Note:

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

7. CORPORATE SOCIAL RESPONSIBILITY POLICY:

The Company has actively supported various initiatives in the areas of health, education and environment over the years. In accordance with the Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility (CSR) Committee during the year.

The CSR policy as recommended by the Company and adopted by the Board of Directors is available on the Company’s website at www.gmmpfaudler.com. The CSR Committee decided to continue with the existing programmes and keep it focus on health and education and environment in the years ahead.

The Annual Report on Corporate Social Responsibility activities carried out during the financial year 2014-15 is annexed herewith as ‘**Annexure B**’ and forms a part of this Report.

8. RELATED PARTY TRANSACTIONS:

Policy on dealing with Related Party Transactions, as approved by the Board, is available on the Company’s website at www.gmmpfaudler.com

As per the said policy, all Related Party Transactions are pre-approved by the Audit Committee and the Board, if necessary. The said transactions are also reviewed by the Audit Committee and Board on a quarterly basis.

Details of Related Party Transactions:

All contracts/ arrangements/ transaction entered into by the Company during the financial year 2014-15 with Related Parties were in the ordinary course of business and on arm’s length basis. Also, there was no contract/ arrangement/ transaction with any of the Related Parties which could be considered material in accordance with the Companies Act, 2013, Rules framed there under and Clause 49 of the Listing Agreement.

Details of Related Party Transactions entered into by the Company during the financial year 2014-15 are provided in Note 42 to the Financial Statements.

9. RISK MANAGEMENT POLICY:

The Board of Directors of the Company has framed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management policy & plan and ensuring its effectiveness to avoid events, situations or circumstances which may lead to negative consequences on the Company’s businesses and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The said risk management policy is available on the Company’s website www.gmmpfaudler.com.

10. OPEN OFFER BY PFAUDLER US, INC:

During the year under review, the shareholding of Pfaudler Inc. (Foreign Promoters) held by Robbins & Myers Holdings, LLC (“Seller”) (which in turn was owned and controlled by National Oilwell Varco, Inc) were sold to Pfaudler US, Inc (“Acquirer”). This acquisition was a part of a global level transaction between the Acquirer and Pfaudler Inc. In terms of the Takeover Regulations, Pfaudler Inc is a ‘person acting in concert’ with the Acquirer.

Accordingly, an Open Offer was made by Pfaudler US, Inc and Persons Acting in Concert (“PAC”) - Pfaudler Holdings S.a.r.l. (“PAC 1”) and Pfaudler, Inc. (“PAC 2”), to acquire 36,54,375 equity shares of the Company representing 25% of the outstanding equity capital at a price of ₹ 247.54 per share.

The Open Offer commenced on April 9, 2015 and closed on April 23, 2015. Under the said Offer, Pfaudler Inc., have acquired 2,742 (Two thousand seven hundred and forty two) shares, being 0.02% of the total issued share capital of the Company.

With this acquisition of 2,742 shares, the Post Offer shareholding of the Acquirer and PAC has increased to 7,375,217 shares and the shareholding of the Acquirer and the PAC has increased by 0.02% to 75.02%.

In terms of Regulation 7(4) of Securities and Exchange Board of India (SEBI), Substantial Acquisition of Shares and Takeovers Regulations 2011 read with Securities Contracts (Regulation) Rules, 1957, the time-limit to bring down the Promoters' holding by 0.02% (or 2,742 shares), from 75.02% to 75% is one year from the date of closure of the open offer i.e. upto April 22, 2016. Pfaudler Inc., US the Foreign Promoters have agreed to dilute 2,742 (0.02%) shares to comply with the 25% minimum public holding within the stipulated time period.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As per the provisions of Sections 149 and 152 of the Companies Act, 2013, the Board of Directors at its meeting held on February 12, 2015 appointed as Mr. P. Krishnamurthy and Dr. S. Sivaram Independent Directors on the Board w.e.f. February 12, 2015 for a period of five years subject to the approval of the shareholders of the Company in the ensuing general meeting.

Dr. Amrita Patel was appointed as Non-Executive Additional (Independent) Director on the Board w.e.f. December 11, 2014, subject to the approval of the shareholders of the Company in the ensuing general meeting in accordance with the provisions of the Section 149 and 152 of the Companies Act, 2013.

The Company has received declarations from all the Independent Directors confirming that they meet with the criteria of independence prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Mr. Ashok Patel has resigned as Managing Director w.e.f. May 31, 2015 and continues as a Non Executive Director of the Company.

Mr. Tarak Patel has been appointed as Managing Director of the Company for a period of five years w.e.f. June 1, 2015, subject to the approval of the shareholders of the Company in the ensuing general meeting in accordance with the provisions of Section 196 and other applicable provisions of the Companies Act, 2013.

The Board places on record its sincere appreciation and gratitude for the leadership and direction provided by Mr. Ashok Patel during his tenure of 40 years as a Director of the Company including 28 years as Managing Director of the Company.

The Board will continue to count on Mr. Patel's guidance and support as a Non Executive Director of the Company.

Pursuant to change in ultimate holding Company, the following changes have taken place in Directors nominated by Pfaudler Inc. during the period under review:

Name of Director	Category of Directorship	Date of appointment	Date of resignation
Mr. Thomas Kehl #	Non-Executive Director	19.05.2015	-
Mr. Khurshed Thanawalla #	Non-Executive Director	30.06.2015	-
Mr. Tom Alzin #	Non-Executive Director	07.07.2015	-
Ms. Soha Shirke #	Non-Executive Director	19.05.2015	25.06.2015
Mr. Ashok Pillai # (Chief Operating Office)	Wholetime Director	19.05.2015	06.07.2015
Mr. Darius C. Shroff ^	Non-Executive Director	13.10.2006	08.05.2015
Mr. Michael Reed ^	Non-Executive Director	24.04.2013	08.05.2015
Mr. Sudipta Sengupta ^	Non-Executive Director	31.07.2013	30.03.2015

Directors representing Pfaudler US, Inc.

^ Directors representing NOV (National Oilwell Varco, US)

The Board places on record its sincere appreciation for the advice and guidance extended by Mr. Michael C. Reed, Mr. Sudipta Sengupta, Mr. Darius Shroff, Mr. Ashok Pillai and Ms. Soha Shirke during their tenure as Directors of the Company.

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

12. DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2015, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit/loss of the Company for that year;
- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

13. MEETINGS OF THE BOARD:

Six (6) Meetings were held during the financial year ended March 31, 2015. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report attached and forms a part of this Report.

14. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company proactively keeps its Directors informed of the activities of the Company its management and operations and provides an overall industry perspective as well as issues being faced by the industry. The Policy on Familiarization Programme adopted by the Board is available on the Company's website www.gmmpfaudler.com. The details of various familiarization programmes will be uploaded as and when the programmes are conducted.

15. AUDIT COMMITTEE:

The Audit Committee comprises of Mr. P. Krishnamurthy, Dr. S. Sivaram, Dr. Amrita Patel (Independent Directors) and Mr. Thomas Kehl (Non Executive Director). The Role of the Committee is provided in the Corporate Governance Report annexed to this Report. All the recommendations made by the Audit Committee during the year were accepted by the Board.

16. NOMINATION, REMUNERATION AND EVALUATION POLICY:

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

Details of the Nomination, Remuneration and Evaluation Policy is given at '**Annexure C**'.

17. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, and Clause 49 of the Listing Agreements, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board, by way of individual and collective feedback from Directors.

The Evaluation Criteria applied are:

- (a) For Independent Directors:
 - Knowledge and Skills
 - Professional conduct
 - Duties, Role and functions
- (b) For Executive Directors
 - Performance as Team Leader/ Member.
 - Evaluating Business Opportunity and analysis of Risk Reward Scenarios
 - Key set Goals / KRA and achievements
 - Professional Conduct, Integrity
 - Sharing of Information with the Board

The Directors expressed their satisfaction with the evaluation process.

18. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:

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

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

No instance under the Whistle Blower Policy was reported during the financial year 2014-15.

19. CORPORATE GOVERNANCE:

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the BSE Limited, together with a Certificate from the Company's Auditors is attached hereto and forms a part of this Report.

20. DEPOSITS:

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

21. PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES:

The particulars of loans advanced and investments made under Section 186 of the Companies Act, 2013 are given at Note no. 18 and 12 & 14 respectively in the Notes to the Financial Statements. No corporate guarantees were given during the financial year.

22. AUDITORS:

a) Statutory Auditors

Deloitte has been appointed as the group auditors of Pfaudler Group. In order to bring uniformity in audit, it is proposed to appoint M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors of the Company. The Board of Directors at their meeting held on July 30, 2015 have approved the appointment of M/s. Deloitte Haskins & Sells as Statutory Auditors, subject to approval of shareholders at the ensuing General Meeting.

Consequent thereto, M/s. Kalyaniwalla & Mistry, Chartered Accountants the current statutory auditors have agreed that they will not offer themselves for reappointment at the ensuing Annual General meeting.

The consent letter alongwith the certificate as required under Section 139 & 141 of the Companies Act, 2013 has been received from M/s. Deloitte Haskins & Sells, Chartered Accountants to the effect that their appointment, if made, shall be in accordance with the prescribed conditions and that they are eligible to hold the office of Auditors of the Company. The Board recommends the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as the Statutory Auditors of the Company.

Necessary resolution for reappointment of the said Auditors is included in the Notice of Annual General Meeting for seeking approval of members.

b) Auditors Report

The observations made by the Statutory Auditors in their report for the financial year ended March 31, 2015 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

c) Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Notifications / Circulars issued by the Ministry of Corporate Affairs from time to time, as per the recommendation of the Audit Committee, the Board of Directors at their meeting held on May 19, 2015, has appointed M/s. Dalwadi & Associates, Cost Accountants as the Cost Auditors of the Company for the financial year 2015-16.

d) Internal Auditors

During the year under review, M/s. Deloitte Haskins & Sells, Chartered Accountants have resigned as Internal Auditors of the Company in view of their appointment as Auditors of Pfaudler Group. As per the recommendation of the Audit Committee, the Board of Directors at their meeting held on May 19, 2015, has appointed M/s. PAM & Associates, Chartered Accountants as Internal Auditors.

e) Secretarial Audit

Provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors has appointed M/s. Rathi and Associates, Practicing Company Secretaries for conducting Secretarial Audit Report of the Company for the financial year 2014-15.

Secretarial Audit Report is annexed herewith as '**Annexure D**' and forms part to this report. The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

23. DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

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

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

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

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year under review is annexed as '**Annexure F**'

26. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2015 made under the provisions of Section 92(3) of the Act is annexed as '**Annexure G**' which forms part of this Report.

27. GENERAL:

- i) The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- ii) The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- iii) The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- iv) During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

ACKNOWLEDGEMENT:

The Board of Directors of the Company would like to acknowledge to all its stakeholders and is grateful for the support received from shareholders, bankers, customers, suppliers and business partners. The Directors recognize and appreciate the sincere and dedicated efforts and contribution of all the employees that ensured steady performance in a challenging business environment.

For and on behalf of the Board of Directors

P. Krishnamurthy
Chairman

Tarak Patel
Managing Director

Mumbai, July 30, 2015

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

‘ANNEXURE A’ TO DIRECTOR’S REPORT

PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

(₹ In Millions)

Sr. No.	Name of the subsidiary	Karamsad Holdings Limited	Karamsad Limited Investments	GMM Mavag AG	Mavag AG
1	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	N.A.	N.A.	N.A.	N.A.
2	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	N.A.	N.A.	CHF, 64.8340	CHF, 64.8340
3	Share capital	3.50	2.60	324.17	97.25
4	Reserves and Surplus	1.54	2.17	(3.76)	223.68
5	Total Assets	5.05	4.78	324.82	542.66
6	Total Liabilities	0.01	0.01	4.41	221.73
7	Investments	0.00	0.00	324.17	0.00
8	Turnover	0.00	0.00	0.00	851.92
9	Profit before taxation	0.39	0.36	1.36	20.03
10	Provision for taxation	0.14	0.12	0.14	3.70
11	Profit after taxation	0.25	0.24	1.25	16.21
12	Proposed Dividend	0.00	0.00	0.00	0.00
13	% of shareholding	100%	100%	100%	100%

For and on behalf of the Board of Directors

P. Krishnamurthy
Chairman

Tarak Patel
Managing Director

Mumbai, July 30, 2015

'ANNEXURE B' TO DIRECTOR'S REPORT

Annual Report on CSR Activities

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

CSR Vision:

The Company's CSR vision is based on embedded tenets of trust, fairness and care and shall be based on the below keystones.

- a. The Company shall actively initiate projects and / or participate in projects to improve the environment and the life of people living near its manufacturing facilities.
- b. Company will strive to provide vocational training to improve skills of people in the primarily unorganized sector.
- c. Company commits to creating social value and also allow individual employees to contribute in the various programs.
- d. Company shall manage its operations using principles of Sustainable development to minimize impact on environment and protect health & safety of our employees, service providers, neighbouring communities and customers.

The CSR initiatives undertaken by the Company so far have been in the areas of basic healthcare, environment and education. Going forward, the Company would continue to carry out CSR activities as it has been carrying out over the years in the areas of education and healthcare. In particular, the Company will undertake CSR activities as specified in Schedule VII to the Companies Act, 2013 (including any amendments thereto).

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

2. The composition of the CSR Committee.
 - Mr. P. Krishnamurthy - Chairman
 - Mr. Ashok Patel - Member
 - Mr. Tarak Patel - Member
 - Dr. Amrita Patel - Member
3. Average Net Profit of the Company for last three financial years.
4. Average Profits for the last three financial years calculated as per section 198 of the Companies Act 1956 : ₹ 180,846,000.
5. Prescribed CSR Expenditure (two percent of the amount as per item 3 above) ₹ 3,617,000.
6. Details of CSR spent during the financial year;
 - (a) Total amount spent for the financial year: ₹ 2,031,000
 - (b) Amount unspent, if any: ₹ 1,586,000
 - (c) Manner in which the amount spent during the financial year is detailed below:

Statement on CSR expenditure during the year ended March 31, 2015:

Sr. No.	Sector Activity Identified	CSR Project	Location	Implementing Agency	Budget ₹ in Millions	Amount spent ₹ in Millions
1.	Hospital / Rural Healthcare	Contribution for promoting rural healthcare	Karamsad, Gujarat	Charutar Arogya Mandal	1.00	1.00
2.	Hospital / Rural Healthcare	Contribution for setting an Out Patient Department (OPD) at Shri Krishna Hospital, Karamsad	Karamsad, Gujarat	Charutar Arogya Mandal	0.60	0.60
3.	Environment Sustainability	Contribution to Sardar Patel Trust	Karamsad, Gujarat	Sardar Patel Trust	0.21	0.21
4.	Skill Development	Contribution to JV Patel ITI school	Karamsad, Gujarat	JV Patel ITI	0.20	0.20
5.	Child Protection & Youth Empowerment	Contribution to Committed Communities Development Trust	Mumbai	Committed Communities Development Trust	0.02	0.02
				Total	2.03	2.03

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

The Company is evaluating various projects to carry out its CSR objectives in the areas of health, environment and education.

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

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

For and on behalf of the Board of Directors

P. Krishnamurthy
Chairman

Tarak Patel
Managing Director

Mumbai, July 30, 2015

'ANNEXURE C' TO DIRECTORS REPORT

Nomination, Remuneration and Evaluation Policy:

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

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

1. Purpose

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

2. Accountabilities

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

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

3. Appointment of Directors & KMPs

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

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

3.2 Personal specifications

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

3.3 Letters of Appointment

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

4. Remuneration of Directors and Key Managerial Personnel

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

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

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

4.1 Remuneration of the Managing Director and Executive Director is recommended by the Committee to the Board of the Company.

(i) Remuneration:

a) Base Compensation (fixed salaries)

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

b) Variable salary:

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

(ii) Statutory Requirements:

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

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

- 4.3 The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.
- 4.4 The remuneration payable to the Key Managerial Personnel shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

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

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

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

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

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

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

For and on behalf of the Board of Directors

P. Krishnamurthy
Chairman

Tarak Patel
Managing Director

Mumbai, July 30, 2015

'ANNEXURE D' TO DIRECTOR'S REPORT

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

To,
The Members
GMM Pfaudler Limited
Mumbai

Dear Sirs,

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Financial Year ended March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by GMM Pfaudler Limited ("the Company") as given in Annexure I, for the financial year ended on March 31, 2015, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under for specified sections that were notified and effective from September 12, 2013 and Sections and Rules that were notified and effective from April 1, 2014;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
 - (v) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
 - (vi) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
 - (i) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (iv) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
 - (vi) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

3. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings were not attracted to the Company under the financial year under report.
4. We have relied on the representation made by the Company and its Officers for systems and mechanism devised by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. It may be noted that no other laws were specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 1956; and
- (ii) The Listing Agreement entered into by the Company with the Stock Exchange;

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

- (a) As on 31st March 2014, the Company's Board of Directors consisted of seven Directors i.e. four Promoter Directors and three Independent Directors. As a result of change in status of Darius C. Shroff from Independent Director to Non-Independent Director w.e.f. April 1, 2014, the number of Independent Directors in the Company reduced from three to two, leading to non-compliance with the requirement of Section 149 (4) of the Companies Act, 2013 and Clause 49 II A(2) of the Listing Agreement which mandates that where the Chairman of the company is a Non-Executive, Independent Director, as at least 1/3rd of the total number of Directors on the Board of a company shall be Independent Directors. The said non-compliance occurred for the period from October 1, 2014 to December 11, 2014 i.e. till the time Dr. Amrita Patel was appointed as an Independent Director on the Board. Further, as per the provisions of Section 149(4) of the Companies Act, 2013, the appointment of Independent Directors is yet to be formalized with the approval of shareholders.
- (b) The omnibus approval of the Audit Committee for Related Party Transactions was taken on February 12, 2015. Up to the said date, the Related Party Transactions were being reported to the Audit Committee at the end of each quarter.
- (c) During the period from May 20, 2014 to December 16, 2014, the Promoters' Shareholding in the Company was at 76.66%, resulting into the Public Shareholding in the Company below the requirement of at least 25% under Clause 40A of the Stock Exchange Listing Agreement. Thus, the Company was not in compliance of the requirement of Clause 40A of the Stock Exchange Listing Agreement during the said period.

We further report that during the year under report, the Company has not undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

During the year under report, due to change in the ownership of foreign holding company viz. Pfaudler Inc., there was change in the ultimate promoters of the Company and necessary steps have been taken to comply with the provisions of SEBI (Substantial Acquisition to Shares and Takeover) Rules, 2014 by the Acquirer and the Company.

**For Rathi & Associates
Company Secretaries**

Himanshu S. Kamdar
Partner
FCS NO. 5171
COP NO. 3030

Place: Mumbai
Date: July 30, 2015

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

ANNEXURE - I
List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended March 31, 2014.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Share Transfer Committee, Independent Directors Committee along with Attendance Registers thereof, in respect of the meetings held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Policies on Related Parties Transactions, Policies on Material Subsidiaries, Whistle Blower Policy, Corporate Social Responsibility Policy, Annual Evaluation Policy, Risk Management Policy, Nomination & Remuneration Policy, Code of Conduct for Directors and Senior Management Executives, Code for prevention of insider trading.
6. Statutory Registers viz.
 - Register of Directors & KMP
 - Register of Directors' Shareholding
 - Register of Contracts with Related party and contracts and Bodies etc. in which directors are interested
 - Register of Renewed and Duplicate Share Certificate
7. Notice and Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
9. Intimations received from directors under the prohibition of Insider Trading Code.
10. E-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
11. Intimations / documents / reports / returns filed with the Stock Exchange pursuant to the provisions of Listing Agreement and SAST Regulations during the financial year under report.

ANNEXURE – II

To
The Board of Directors of
GMM Pfaudler Limited
Mumbai

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

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

For Rathi & Associates
Company Secretaries

Himanshu S. Kamdar
Partner
FCS NO. 5171
COP NO. 3030

Place: Mumbai
Date: July 30, 2015

‘ANNEXURE E’ TO DIRECTOR’S REPORT

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

The Company has taken various measures for conservation of energy and preservation of environment.

(A) Conservation of energy:

Steps taken or impact on conservation of energy:

- 1) Major consumption of energy in the company is in the Enamelling Plant. Furnaces are run on electricity and natural gas. Two of the Electric Furnaces (800 KW and 1400 KW) were retrofitted during the year in order to improve its efficiency. This has resulted in about 20% lower consumption of electricity.
- 2) Optimization of Natural Gas consumption in Shop floor by installing Oxygen Gas Tank for CNC Cutting Machine in place of loose bottles thereby reducing the wastage of gas.
- 3) The Company has installed transparent sheets and skylight panels in factory shed for using day light obviating use of electric ceiling lights and hand lamp during day time.
- 4) Use of variable frequency drive in motors for welding positioners, EOT cranes, Welding trolleys, Rotary table & Machine tools to improve the motor efficiency.
- 5) Replacement of old inefficient Split / Ductable AC units with energy efficient units.
- 6) Replaced Inverter based FCAW Welding Machines against conventional welding machines.
- 7) Arresting air leakages in compressed air lines leading to reduction in use of compressor.
- 8) Introduced drip irrigation for newly developed garden area to conserve energy & water.
- 9) Reduction of the shop floor lighting power consumption by using a timer to switch-off the lights during dinner time.
- 10) Conducting awareness campaign in the campuses for reduction of the electricity usage.

Steps taken by the company for utilizing alternate source of energy:

- 1) The Company owns and maintains Wind Farm with a generating sources of energy capacity of 1.8MW. The Wind Mills generate about 2 million Units per annum.
- 2) Installation of roof Air Turbo Ventilators instead of electric exhaust fans.

Capital investment on energy conservation equipment: NIL

(B) Technology absorption:

Efforts made towards technology absorption:

In house product development team works on product improvement, import substitution and new products.

Benefits derived like product improvement, cost reduction, product development or import substitution:

Cost reduction, import substitution and new products.

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

Details of technology imported : Nil

Year of import : N.A.

Whether the technology has been fully absorbed : N.A.

If not fully absorbed, areas where absorption has not taken place, and the reasons thereof : N.A.

(C) Research and Development:

The Company has a Research & Department (R & D) Centre approved by the Department of Science & Technology; Government of India. The R & D Centre carries out development activities in the process of manufacture of glasslined vessels, frit for glasslining, safety features of products manufactured, develop & design for manufacturing products to suit International pressure vessels and other codes requirements, develop new products, improve quality of products, employ new & advanced technology and to develop import substitutes.

The ability to leverage the R & D expertise and knowledge of Pfaudler Group has helped the Company to innovate and manufacture products that are safer, of a higher quality and offer the customer better efficiency. The Company continues to be a member of the consortium on Micro Reactor Technology under the auspices of National Chemical Laboratory (NCL), Pune.

Areas where specific R & D activities were successfully carried out during the year are as follows:

1. Wiped Film Evaporation skid mounted pilot plant for National Chemical Laboratory, Pune

The facility is equipped to custom configure any test from simple applications involving a single evaporation step to more complex applications requiring multiple evaporation steps or even vacuum distillation requiring a packed column. This highly instrumented facility is designed to capture all the process data required for guaranteed scale up results, and is capable of processing quantities as low as a 5 gallon (19 liter) and up to multiple cubic meter for testing purposes.

2. Glass Lined Long Pipes

To reduce number of short length pipe joints we have developed long length glass lined pipes.

Advantages

- Avoids multiple flange connections
- Tough glass lining not subject to liner collapse due to full vacuum at high temperature as in Teflon lined/liner long pipes.
- Smooth non-sticky lining surface provides a very low coefficient of friction, making it ideal for handling sticky, viscous products that could adhere to other lining.
- Glass-lined steel pipe and fittings will not effect the purity, color or flavor of product being transferred.

3. New Glass lined bottom out let valve

With GMP design gap free design to prevent product hold-up and with standard flush port, new design spindle and valve seat for better sealing life. In both manual and pneumatic operation designs.

4. ATEX Certification for Agitated Nutsche Filter Dryer

Built a 3 M2 Agitator Nutsche Filter Dryer under inspection of notified body & complying with required EU directives including ATEX.

5. Mavag Design Magnetic Agitator

Magnetic drives with agitators provide hermetically closed and contained agitating system with complete isolation between the inside of a vessel and the outside atmosphere. The use of high performance samarium-cobalt- magnets provides not only a complete replacement for conventional shaft transmission, but also guarantee the highest integrity and safety standards. With proven validation, the biological, chemical and mechanical safety can be guaranteed and maintenance reduced to a minimum. Magnetic drives are available with torque of up to 250 Nm.

(D) Expenditure incurred on Research and Development:

(₹ in Million)

	Year ended 31.03.15
Capital Expenditure	-
Recurring Expenditure	9.00
Total	9.00
Total R & D Expenditure as % of Total Turnover	0.4%

(E) Foreign exchange earnings and Outgo:

(₹ in Million)

	Year ended 31.03.15	Year ended 31.03.14
Actual Foreign Exchange earnings	350.87	434.17
Actual Foreign Exchange Outgo	103.65	183.50

For and on behalf of the Board of Directors

P. Krishnamurthy
Chairman

Tarak Patel
Managing Director

Mumbai, July 30, 2015

‘ANNEXURE F’ TO DIRECTOR’S REPORT

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

1. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Operating Officer, Company Secretary and ratio of the remuneration of each Director to the Median remuneration of the employees of the Company for the financial year 2014-15:

Name of Director	Percentage increase in remuneration	Ratio of remuneration of each Director / to Median remuneration of employees
*Mr. P. Krishnamurthy – Non-Executive & Independent Chairman	N.A.	N.A.
*Dr. S. Sivaram - Non-Executive & Independent Director	N.A.	N.A.
*Dr. Amrita Patel - Non-Executive & Independent Director	N.A.	N.A.
*Mr. Darius C. Shroff - Non-Executive Director (resigned w.e.f. May 8, 2015)	N.A.	N.A.
*Mr. Michael Reed - Non-Executive Director (resigned w.e.f. May 8, 2015)	N.A.	N.A.
*Mr. Sudipta Sengupta - Non-Executive Director (resigned w.e.f. March 30, 2015)	N.A.	N.A.
Mr. Tarak Patel (Executive Director for the year ended March 31, 2015; has been appointed as Managing Director w.e.f. June 1, 2015)	30%	10.90
Mr. Ashok Patel (Managing Director for the year ended March 31, 2015, has resigned as Managing Director but continuing to be Non Executive Director w.e.f. May 31, 2015)	0%	29.30
Mr. Ashok Pillai, Chief Operating Officer	17%	15.60
Mr. Amar Nath Mohanty, Chief Financial Officer	18%	10.90
Ms. Mittal Mehta, Company Secretary & Compliance Officer	44%	3.30

*Entitled for sitting fees. Pursuant to Companies Act, 2013 and rules made thereunder, sitting fees payable to Directors increased from ₹ 20,000 to ₹ 50,000 for attending each Board meeting and from ₹ 5,000 to ₹ 25,000 for attending each Committee meeting w.e.f. October 21, 2014.

2. The percentage increase in the median remuneration of employees in the financial year: 29.5%
3. The number of permanent employees on the rolls of the Company: 344
4. Explanation on the relationship between average increase in remuneration and the Company’s performance:
Net Sales & Other Operating income for the year ended March 31, 2015 increased by 12% and increase in profit after tax was 20%. Average increase in the employees remuneration is 18%.
5. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Net Sales & Other Operating income for the year ended March 31, 2015 increased by 12% and profit after tax increased by 20%. Increase in the remuneration of key managerial personnel is 12%.
6. Variations in the market capitalization of the Company:

	As on March 31, 2015 (Current F.Y.)	As on March 31, 2014 (Previous F.Y.)
Market Capitalisation	4176.2 million	1533.4 million

7. Price earning ratio as at the closing date of the current financial year and previous financial year:

	As on March 31, 2015 (Current F.Y.)	As on March 31, 2014 (Previous F.Y.)
Price Earnings Ratio	24.2	10.7

8. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

	As on March 31, 2015 (Current F.Y.)	As on March 31, 2014 (Previous F.Y.)
Percentage increase over decrease in the market quotations of the shares of the Company	N.A.	N.A.
Rate at which the Company came out with the last public offer	N.A.	N.A.

9. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof:

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 19%, whereas the increase in the managerial remuneration for the same financial year was 12%.

10. The key parameters for variable component of remuneration availed by the directors are as follows:

The members of the Company, at the Annual General Meeting of the Company held on September 17, 2013 approved payment of Commission to the Managing Director. Remuneration payable to the Managing Director and Executive Director is subject to the ceiling of 10% of the net profit of the Company as computed under the applicable provisions of the Companies Act, 1956 / 2013.

11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable

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

For and on behalf of the Board of Directors

P. Krishnamurthy
Chairman

Tarak Patel
Managing Director

Mumbai, July 30, 2015

‘ANNEXURE G’ TO DIRECTOR’S REPORT

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2015

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

I. REGISTRATION AND OTHER DETAILS:

CIN	L29199GJ1962PLC001171
Registration Date	November 17, 1962
Name of the Company	GMM Pfaudler Limited
Category / Sub-Category of the Company Address of the Registered office and contact details Whether listed company	Public Company Vithal Udyognagar, Karamsad, Gujarat – 388 325 Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Glasslined Equipment and Wiped Film Evaporators	8419	91.26%
2	Fluro-polymer Products	390460	0.42%
3	Nutsche Filters	8421	8.35%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity):

a) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1,301,045	-	1,301,045	8.90	1,301,045	-	1,301,045	8.90	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2,036,480	-	2,036,480	13.93	2,036,480	-	2,036,480	13.93	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (Trust)	253,125	-	253,125	1.73	253,125	-	253,125	1.73	-
Sub-total(A)(1):	3,590,650	-	3,590,650	24.56	3,590,650	-	3,590,650	24.56	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	7,611,877	3,070	7,614,947	52.09	7,372,475	-	7,372,475	50.44	1.65
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	7,611,877	3,070	7,614,947	52.09	7,372,475	-	7,372,475	50.44	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	11,202,527	3,070	11,205,597	76.66	10,963,125	-	10,963,125	75.00	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	157,869	-	157,869	1.08	1.08
b) Banks / FI	433	225	658	0	433	225	658	0	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	138,300	-	138,300	0.95	54,448	-	54,448	0.37	0.58
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	138,733	225	138,958	0.95	212,750	225	212,975	1.46	0.51
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	362,788	75	362,863	2.48	469,770	75	469,845	3.21	0.73
b) Individuals									
i) Individual share-holders holding nominal share capital upto ₹ 1 lakh	2,003,307	297,780	2,301,087	15.74	2,281,114	278,420	2,559,534	17.51	1.77

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	405,630	118,125	523,755	3.58	176,919	118,125	295,044	2.02	1.56
c) Any Other (Clearing member)	23,695	-	23,695	0.16	37,843	-	37,843	0.26	0.10
c-i) Any Other (Trust)	75	-	75	0	20,732	-	20,732	0.14	0.14
c-ii) Any Other (Non Resident Indians)	60,685	785	61,470	0.42	57,617	785	58,402	0.40	0.2
Sub-total(B)(2):	2,856,180	416,765	3,272,945	22.39	3,043,995	397,405	3,441,400	23.54	1.15
Total Public Shareholding (B)=(B)(1)+(B)(2)	2,994,913	416,990	3,411,903	23.34	3,256,745	397,630	3,654,375	25.00	1.66
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	14,197,440	420,060	14,617,500	100	14,219,870	39,763	14,617,500	100	

b) SHAREHOLDING OF PROMOTERS:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Pfaudler Inc.	7,614,947	52.09	-	7,372,475	50.44	-	1.65
2	Millars Machinery Company Pvt. Ltd.	1,625,595	11.12	-	1,625,595	11.12	-	-
3	Ashok Jethabhai Patel	498,120	3.41	-	498,120	3.41	-	-
4	Uttarak Enterprise Pvt. Ltd.	406,875	2.78	-	406,875	2.78	-	-
5	A J Patel HUF	277,235	1.90	-	277,235	1.90	-	-
6	Ashok J. Patel (A J Patel Ch. Trust)	253,125	1.73	-	253,125	1.73	-	-
7	Tarak Ashok Patel	173,960	1.19	-	173,960	1.19	-	-
8	Uttara Ashok Patel	166,995	1.14	-	166,995	1.14	-	-
9	Urmi Ashok Patel	133,625	0.91	-	133,625	0.91	-	-
10	Panna Sailendra Patel	33,750	0.23	-	33,750	0.23	-	-
11	Pragna Satish Patel	16,160	0.11	-	16,160	0.11	-	-
12	Skyline Millars Ltd.	4,010	0.03	-	4,010	0.03	-	-
13	Palomita Sailendra Patel	1,200	0.01	-	1,200	0.01	-	-
Total		11,205,597	76.66		10,963,125	75.00		

c) CHANGE IN PROMOTERS' SHAREHOLDING:

There is no change in the shareholding of any promoters except for Pfaudler Inc. as under:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Pfaudler Inc	7,614,947	52.09	7,614,947	52.09
	Less 12.12.2014 Market Sale	(242,472)	1.65	7,372,475	50.44
	At the End of the year	N.A.	N.A.	7,372,475	50.44

d) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Chandler & Price(l) Pvt. Ltd.	226,125	1.54	226,125	1.54
	Add 25/07/2014 Market Purchase	125,430	0.85	351,555	2.40
	At the End of the year	N.A.	N.A.	351,555	2.40
2.	Kotak Emerging Equity Scheme	0	0.00	0	0.00
	Add 19/12/2014 Market Purchase	72,148	0.493	72,148	0.493
	Add 30/01/2015 Market Purchase	1,441	0.01	73,589	0.503
	Add 06/02/2015 Market Purchase	28,264	0.193	101,853	0.696
	Add 13/02/2015 Market Purchase	17,431	0.12	119,284	0.816
	Add 20/02/2015 Market Purchase	12,826	0.087	132,110	0.903
	Add 27/02/2015 Market Purchase	14,537	0.1	146,647	1.003
	Add 06/03/2015 Market Purchase	275	0.002	146,922	1.005
	Add 13/03/2015 Market Purchase	4,683	0.032	151,605	1.037
	Add 27/03/2015 Market Purchase	6,145	0.033	157,750	1.07
	Add 31/03/2015 Market Purchase	119	0.01	157,869	1.08
	At the End of the Year	N.A.	N.A.	157,869	1.08
3.	Sumant Patel	118,125	0.80	118,125	0.80
		There is no change in the absolute shareholding during the year.		-	-
	At the End of the year	N.A.	N.A.	118,125	0.80
4.	Danesh Boman Irani	0	0.00	0	0.00
	Add 14/11/2014 Market Purchase	75,000	0.51	75,000	0.51
	Less 16/01/2015 Market Sale	(11,000)	(0.075)	64,000	0.437
	At the End of the Year	N.A.	N.A.	64,000	0.437
5.	Danesh Boman Irani	88,952	0.60	88,952	0.60
	Less 14/11/2014 Market Sale	(74,000)	(0.5062)	14,952	0.1023
	Add 12/12/2014 Market Purchase	1,275	0.008	16,227	0.111
	At the End of the Year	N.A.	N.A.	16,227	0.111
6.	Boman Burjor Irani	59,919	0.409	59,919	0.409
		There is no change in the absolute shareholding during the year.			
	At the End of the Year	N.A.	N.A.	59,919	0.409
7.	The Oriental Insurance Company Limited	138,300	0.94	138,300	0.94
	Less 30/06/2014 Market Sale	(5,000)	(0.03)	133,300	0.91
	Less 04/07/2014 Market Sale	(6,500)	(0.043)	126,800	0.867
	Less 11/07/2014 Market Sale	(9,897)	(0.07)	116,903	0.79
	Less 25/07/2014 Market Sale	(7,500)	(0.042)	109,403	0.748
	Less 01/08/2014 Market Sale	(23,618)	(0.168)	85,785	0.58
	Less 08/08/2014 Market Sale	(16,067)	(0.11)	69,718	0.47
	Less 19/09/2014 Market Sale	(9,500)	(0.06)	60,218	0.41
	Less 30/09/2014 Market Sale	(5,770)	(0.04)	54,448	0.37
	At the End of the Year	N.A.	N.A.	54,448	0.37

8.	Kashmira Aspandiar Irani	70,329	0.48	70,329	0.48
	Less 20/06/2014 Market Sale	(2,329)	(0.12)	68,000	0.46
	Less 16/01/2015 Market Sale	(1,248)	(0.01)	66,752	0.45
	Less 23/01/2015 Market Sale	(13,752)	(0.09)	53,000	0.36
	At the End of the Year	N.A.	N.A.	53,000	0.36
9.	Bharat Patel	33,750	0.23	33,750	0.23
	There is no change in the absolute shareholding during the year.				
	At the End of the Year	N.A.	N.A.	33,750	0.23
10.	Javalika Prasana Shah	28,370	0.19	28,370	0.19
	There is no change in the absolute shareholding during the year.				
	At the End of the Year	N.A.	N.A.	28,370	0.19
11.	Javalika Prasana Shah	1,685	0.01	1,685	0.01
	There is no change in the absolute shareholding during the year.				
	At the End of the Year	N.A.	N.A.	1,685	0.01

e) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Ashok Jethabhai Patel	498,120	3.41	498,120	3.41
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2015)	N.A.	N.A.	498,120	3.41
2.	Patel Tarak Ashok	173,960	1.19	173,960	1.19
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2015)	N.A.	N.A.	173,960	1.19
3.	Dr. Amrita Patel	375	0.002	375	0.002
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2015)	N.A.		N.A.	375
4.	Ashok Pillai	750	0.005	750	0.005
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2015)	N.A.	N.A.	750	
5.	Amar Nath Mohanty	125	0.000	125	0.000
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2015)	N.A.	N.A.	N.A.	N.A.

VI. INDEBTEDNESS:

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

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(₹ in millions)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Ashok Patel	Tarak Patel	
1	Gross salary	7.99	2.85	10.84
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.34	0.53	1.87
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.24	0.31	0.55
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	1.63	-	1.63
	- as % of profit		-	-
	- others, specify	-	-	-
5	Others – Performance Bonus	-	0.50	0.50
	Total (A)	11.20	4.19	15.39
	Ceiling as per the Act	25.50 (Being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

B. REMUNERATION TO OTHER DIRECTORS:

(₹ in millions)

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors		
	• Fee for attending board / committee meetings	Mr. P. Krishnamurthy	0.42
		Dr. S. Sivaram	0.42
		Dr. Amrita Patel	0.07
	• Commission		
	• Others, please specify		-
	Total 1		0.91
2.	Other Non-Executive Directors		
	• Fee for attending board / committee meetings		
		Mr. Darius Shroff	0.36
		Mr. Sudipta Sengupta	0.21
	• Commission		-
	• Others, please specify		-
	Total 2		0.57
	Total (B)		1.48
	Total Managerial Remuneration (A + B)		16.87
	Overall Ceiling as per the Act	Non Executive Directors were paid sitting fees for attending the meetings of the Board and Committees thereof during the financial year 2015, which were within the limits prescribed under the Companies Act, 2013.	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

(₹in millions)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		COO	CFO	CS	
1	Gross salary	4.13	2.91	0.99	8.03
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.82	0.55	0.14	1.51
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.43	0.30	0.11	0.84
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others (Performance Bonus)	0.60	0.40	0.02	1.02
	Total	5.98	4.16	1.26	11.40

VIII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board of Directors

P. Krishnamurthy
Chairman

Tarak Patel
Managing Director

Mumbai, July 30, 2015

REPORT ON CORPORATE GOVERNANCE

A report for the financial year ended March 31, 2015 on the compliance by the Company the Corporate Governance requirements under Clause 49 of the Listing Agreement, is furnished below:

1. Company's Philosophy on the Code of Corporate Governance

Corporate Governance primarily involves transparency, full disclosure, independent monitoring of the state of affairs and being fair to all stakeholders and is a combination of voluntary practices and compliance with laws and regulations. The Corporate Governance Code has also been incorporated in Clause 49 of the Listing Agreement with the BSE Limited.

The Company endeavors not only to meet the statutory requirements in this regard but also to go well beyond them by instituting such systems and procedures as are in accordance with the latest global trends of making management completely transparent and institutionally sound. The Company has professionals on its Board of the Directors who are actively involved in the deliberations of the Board on all important policy matters.

Your Directors view good Corporate Governance as the foundation for honesty and integrity and recognize their fiduciary accountability to the shareholders. They are committed to continue the vigilance on these matters to maintain your trust.

It has been, and continues to be, the policy of your Company, to adhere to the highest standard of business ethics and to maintain a reputation for honest and fair dealings. Your Board of Directors recognizes its responsibility to oversee and monitor management and the Company's activities to reasonably assure that these objectives are achieved.

It is paramount that the Company's reputation for integrity and credibility remain at the highest standards for the benefits of all stakeholders, employees, customers and suppliers.

2. Board of Directors

- The Board comprises of eight Directors, including 1 Executive and 7 Non-Executive, of which 3 are Independent Directors. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.
- The composition of the Board of Directors, their attendance at the Board meetings held during the financial year ended March 31, 2015 and the last Annual General Meeting along with the number of Directorship and memberships held in various Committees in other Companies as on the date of this Report, are given in the table below:

Name of Director	Category of Directorship	Attendance at		Number of Directorships in other Companies	Number of Committee positions held in other Companies
		Board Meetings	Annual General Meeting (September 30, 2014)		
Mr. P. Krishnamurthy (Chairman of the Board)	Non-Executive, Independent Director	6	Yes	5	4 (including 2 chairmanship)
Mr. Tarak Patel * (appointed as Managing Director w.e.f. June 1, 2015)	Managing Director	5	Yes	2	Nil
Mr. Ashok Patel * (Resigned as Managing Director but continuing to be Non Executive Director w.e.f. May 31, 2015)	Non-Executive Director	5 Nil	Yes	4	Nil
Dr. S. Sivaram	Non-Executive, Independent Director	6	No	4	Nil
Dr. Amrita Patel	Non-Executive, Independent Director	1	N.A.	Nil	Nil
Mr. Thomas Kehl # (appointed w.e.f. May 19, 2015)	Non-Executive Director	N.A.	N.A.	Nil	Nil
Mr. Khurshed Thanawalla # (appointed w.e.f. June 30, 2015)	Non-Executive Director	N.A.	N.A.	4	4 (as Chairman)
Mr. Tom Alzin # (appointed w.e.f. July 7, 2015)	Non-Executive Director	N.A.	N.A.	Nil	Nil
Ms. Soha Shirke # (appointed w.e.f. May 19, 2015 and resigned w.e.f. June 25, 2015)	Non-Executive Director	N.A.	N.A.	1	Nil

Mr. Ashok Pillai # (appointed w.e.f. May 19, 2015 and resigned w.e.f. July 6, 2015)	Executive Director	N.A.	N.A.	4	Nil
Mr. Darius C. Shroff # (resigned with effect from May 8, 2015)	Non-Executive Director	5	No	4	3 (including 2 Chairmanship)
Mr. Michael Reed # (resigned with effect from May 8, 2015)	Non-Executive Director	2 (attended via tele-conference)	No	Nil	Nil
Mr. Sudipta Sengupta # (resigned with effect from March 30, 2015)	Non-Executive Director	6	Yes	N.A.	N.A.

* Indian Promoters.

Representing Foreign Promoters viz., Pfaudler Inc.

Notes : 1. The Directorships held by the Directors include directorships in public companies. However, it does not include directorships in companies registered under Section 8 of the Companies Act, 2013.
2. In accordance with Clause 49 of the Listing Agreement, Memberships/ Chairmanships of only Audit Committees and Stakeholders Relationship Committees in public limited companies (excluding GMM Pfaudler Limited) have been considered.

- c) During the year under review, 6 Board Meetings were held on the following dates:
April 11, 2014; May 30, 2014; July 22, 2014; October 21, 2014; November 11, 2014; February 12, 2015.
- d) Details of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting as required under Clause 49 VIII E (1) of the Listing Agreement is given at 'Board of Directors' on page nos. 2 & 3 which form part of the Annual Report.
- e) In case of appointment / resignation of Directors, the Company has notified the BSE Limited, as required under the Listing Agreement.

3. Meeting of Independent Directors

In terms of requirements of the Companies Act, 2013, Rules framed there under and Clause 49 II B (6) of the Listing Agreement, a separate meeting of Independent Directors was held on February 12, 2015.

4. Audit Committee:

The Composition, Role, terms of reference as well as Powers of the Audit Committee of meets the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Composition:

As on date, the Audit Committee comprises of 4 members which includes 3 Non-Executive & Independent Directors and 1 Non-Executive Director. The members of the Audit Committee possess knowledge of Accounts, Audit and Finance. Ms. Mittal Mehta, Company Secretary acts as Secretary to the Audit Committee.

The Audit Committee met on five occasions viz. April 11, 2014, May 30, 2014, July 22, 2014, November 7, 2014, and February 12, 2015. The minutes of the Audit Committee Meetings were noted at the Board Meetings.

The composition of the Audit Committee, category of Members, their attendance at the Committee Meetings held during the financial year ended March 31, 2015 is given in the table below:

Name of Director	Category	No. of Meetings	
		Held	Attended
Mr. P. Krishnamurthy (Chairman)	Non Executive and Independent Director	5	5
Dr. S. Sivaram	Non Executive and Independent Director	5	5
Dr. Amrita Patel #	Non Executive and Independent Director	5	N.A.
Mr. Thomas Kehl *	Non-Executive Director	5	N.A.
Mr. Darius C. Shroff *	Non-Executive Director	5	4

* Mr. Thomas Kehl has been appointed as member of Audit Committee in place of Mr. Darius Shroff w.e.f. May 19, 2015.

Appointed as a member on February 12, 2015 and no Audit Committee meeting held thereafter upto March 31, 2015.

Scope:

The Board of Directors at its meeting held on November 7, 2014, revised the terms of reference of the Committee to meet with the requirements of the Companies Act, 2013.

The revised and enhanced scope of the Committee is as follows:

Powers of the Audit Committee:

- a) To investigate any activity within its terms of reference or such matter as may be referred to it by the Board and for this purpose obtain professional advice from external sources and have full access to information contained in the records of the Company;
- b) To seek information from any employee;
- c) To obtain outside legal or other professional advice; and
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary;

Role of the Audit Committee:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Company's financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Approval of the Company's policy on determining materiality of related party transactions and also on dealing with related party transactions;
- 5) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of section 134(3)(c) of the 2013 Act;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to the financial statements;
 - (f) disclosure of any related party transactions; and
 - (g) qualifications in the draft audit report;
- 6) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
- 8) To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of the financial statement before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the Company.
- 9) Approval or any subsequent modification of transactions of the Company with related parties in accordance with the Company's policy on related party transactions;
- 10) Scrutiny of inter-corporate loans and investments;
- 11) Valuation of undertakings or assets of the Company, wherever it is necessary, in consultation with external professional advisors, as deemed fit by the Audit Committee;
- 12) Evaluation of internal financial controls and risk management systems of the Company;
- 13) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems of the Company;
- 14) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 15) Discussion with internal auditors of any significant findings and follow up thereon. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor;

- 16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 17) Discussion with statutory auditors before the commencement of audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 18) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 19) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 20) To review the functioning of the whistle blower mechanism and the vigil mechanism instituted by the Company. The vigil mechanism to provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the chairperson of the Audit Committee or the director nominated to play the role of Audit Committee, as the case may be, in exceptional cases;
- 21) To approve the appointment of the chief financial officer of the Company (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- 22) To review the following information as prescribed under clause 49(III)(E) of the Listing Agreement:
 - (a) Management discussion and analysis of financial condition and results of operations;
 - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - (c) Management letter/ letters of internal control weaknesses issued by the statutory auditors;
 - (d) Internal audit reports relating to internal control weaknesses; and
 - (e) The Appointment, removal and terms of remuneration of the chief internal auditor.
- 23) All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:
 - (a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.
 - (b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
 - (c) Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price/current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit; Provided that where the need for Related Party Transactions cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 1 crore per transaction.
 - (d) Audit Committee shall review, atleast on a quarterly basis, the details of RPT's entered into by the Company pursuant to which the omnibus approval was given.
 - (e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- 24) To review financial statements of, and investments made by, unlisted subsidiaries of the Company in accordance with clause 49(V)(B) of the Listing Agreement;
- 25) To formulate a policy for determining 'material subsidiaries' in accordance with clause 49(V)(D) of the Listing Agreement keeping in mind the following factors as provided under the Listing Agreement for further approval of the Board;
- 26) To recommend a proper system for storage, retrieval, display or printout of the electronic records, as the Audit Committee may deem appropriate;
- 27) To be present at the annual general meeting through the Chairman of the Audit Committee to answer the shareholder queries; and

28) To carry out any other function as may be specified by the Board from time to time.

The Terms and Powers of the Audit Committee are in compliance with the requirements of Companies Act, 2013 and Clause 49 of the Listing Agreement.

5. Stakeholders Relationship Committee:

The Composition, Role, Terms of Reference as well as Powers of the Stakeholders Relationship Committee of the Company meet the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Composition:

The Board in compliance with the requirements with the Section 178 of the Companies Act, 2013 renamed the Shareholders & Investors Grievance Committee as "Stakeholders Relationship Committee."

As on date, the Stakeholders Relationship Committee comprises of 3 Non-Executive & Independent Directors.

The Stakeholders Relationship Committee met on four occasions viz. May 30, 2014, July 22, 2014, November 7, 2014, and February 12, 2015. The minutes of the Stakeholders Relationship Committee Meetings were noted at the Board Meetings.

The composition of the Stakeholders Relationship Committee, category of Members, their attendance at the Committee Meetings held during the financial year ended March 31, 2015 is given in the table below:

Name of Director	Category	No. of Meetings	
		Held	Attended
Mr. P. Krishnamurthy (Chairman)	Non Executive and Independent Director	4	4
Dr. S. Sivaram	Non Executive and Independent Director	4	4
Dr. Amrita Patel *	Non Executive and Independent Director	4	N.A.
Mr. Darius C. Shroff #	Non-Executive Director	4	3

* Appointed as a member on February 12, 2015 and ceased to be a member on July 30, 2015.

Resigned as a Director w.e.f. May 8, 2015.

Ms. Mittal Mehta, Company Secretary is the Secretary of the Committee. She also acts as the Compliance Officer of the Company.

The Shareholders & Investors Grievance committee inter-alia reviews quarterly reports of Registrar & Transfer Agent regarding various types of complaints/ requests received, resolved and pending, if any. It also reviews quarterly shareholding patterns etc.

Summary of Grievances :

A summary of complaints received and resolved by the Company to the satisfaction of the shareholders/ investors during the year 2014-15, is given below:

Particulars	Number
Pending at the beginning of the year under review	-
Received during the year under review	13
Resolved during the year under review	13
Pending at the end of the year under review	-

6. Nomination and Remuneration Committee:

The Composition, Role, Terms of Reference as well as Powers of the Nomination and Remuneration Committee of the Company meets the requirements of Section 178 of the Companies Act, 2013.

Composition:

The Board in compliance with the requirements with the Section 178 of the Companies Act, 2013 renamed the Remuneration Committee as "Nomination and Remuneration Committee" and changed its constitution effective October 21, 2014.

As on date, the Nomination and Remuneration Committee comprises of 3 members which includes 2 Non- Executive & Independent Directors and 1 Non-Executive Director. Ms. Mittal Mehta, Company Secretary is the Secretary of the Committee.

The Nomination and Remuneration Committee met on four occasions viz. May 30, 2014, July 22, 2014, October 21, 2014 and February 12, 2015. The minutes of the Nomination and Remuneration Committee Meetings were noted at the Board Meetings.

The composition of the Committee, category of Members, their attendance at the Nomination and Remuneration Committee Meetings held during the financial year ended March 31, 2015 is given in the table below:

Name of Director	Category	No. of Meetings	
		Held	Attended
Dr. S. Sivaram (Chairman)	Non-Executive and Independent Director	4	4
Mr. P. Krishnamurthy	Non-Executive and Independent Director	4	4
Mr. Ashok Patel *	Non-Executive Director	4	N.A.
Dr. Amrita Patel @	Non-Executive and Independent Director	4	N.A.
Mr. Thomas Kehl \$	Non-Executive Director	4	N.A.
Mr. Darius C. Shroff *	Non-Executive Director	4	3
Mr. Michael C. Reed #	Non-Executive Director	4	Nil

* Mr. Ashok Patel was appointed as a member on May 19, 2015 in place of Mr. Darius Shroff.

@ Dr. Amrita Patel was appointed as a member on February 12, 2015 & ceased to be a member w.e.f. July 30, 2015.

\$ Mr. Thomas Kehl was appointed as member on July 30, 2015 in place of Dr. Amrita Patel.

Mr. Michael Reed resigned as Director w.e.f. May 8, 2015.

Scope:

The Board of Directors at its meeting held on November 7, 2014, revised the terms of reference of the Committee to meet with the requirements of the Companies Act, 2013.

The revised and enhanced scope of the Committee is as follows:

1. To identify suitable candidates for directorship and senior management of the Company in accordance with the criteria laid down, recommend to the Board their appointment and removal, and undertake evaluation of every director's performance;
2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration for the directors, key managerial personnel and other employees of the Company. The said policy will be disclosed in the Board's report.

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

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to executive directors, key managerial personnel and senior management of the Company involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
3. To consider the following while approving the remuneration payable to a manager, managing director or a whole time director under Section II or Section III of Part II of Schedule V to the 2013 Act and section 197 of the 2013 Act:
 - (a) take into account, financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.;
 - (b) to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.
 4. To ensure that on appointment to the Board, independent directors receive a formal letter of appointment setting out clearly what is expected from them in terms of time-committee, committee service and involvement outside meetings of the Board;
 5. To formulate the evaluation criteria for performance evaluation of independent directors and the Board;
 6. To devise a policy on Board diversity;
 7. To recommend to the Board, the plans for orderly succession for appointments to the Board and to senior management of the Company;

8. The Chairperson of the Nomination and Remuneration Committee or in his/her absence any other member of the committee duly authorized by him/her in this behalf to attend the general meetings of the Company and answer queries of shareholders (if any); and
9. To consider any other matters as may be requested by the Board.

Remuneration and Shareholding of Directors:

Remuneration of the Managing Director and Executive Director is recommended by the Nomination and Remuneration Committee, fixed by the Board and approved by the shareholders. Their remuneration for the year ended March 31, 2015 was as under:

(₹ In Millions)			
Sr. No.	Particulars	Ashok Patel	Tarak Patel
1.	Salary and allowances	7.99	2.85
2.	Provident Fund & other funds	1.34	0.53
3.	Perquisites	0.24	0.31
4.	Commission	1.63	-
5.	Performance Incentive	-	0.50
	Total	11.20	4.19

Non-Executive Director's Compensation:

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

Details of Remuneration paid/ payable to Directors for the year ended March 31, 2015 are as follows:

(₹ In Millions)	
Director	Sitting Fees
Mr. P. Krishnamurthy	0.42
Dr. S. Sivaram	0.42
Dr. Amrita Patel	0.07
Mr. Darius C. Shroff	0.36
Mr. Michael C. Reed	Nil
Mr. Sudipta Sengupta	0.21
Total	1.48

Non-Executive Directors on the Board of the Company were paid sitting fees for the period April 1, 2014 to October 20, 2014 as under:

- a) ₹ 20,000 as sitting fees for each meeting of the Board of Directors and
- b) ₹ 5,000 as sitting fees for each meeting of the Committees of Directors.

The sitting fees paid to Non-Executive Directors of the Company was revised w.e.f. October 21, 2014 as under:

- c) ₹ 50,000 as sitting fees for each meeting of the Board of Directors and
- d) ₹ 25,000 as sitting fees for each meeting of the Committees of Directors.

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

Non-Executive Director's Shareholding:

The Non-Executive Directors do not hold any shares in the Company except Dr. Amrita Patel holds 375 shares of the Company.

7. Corporate Social Responsibility Committee:

The Board in compliance with the requirements of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 constituted a Corporate Social Responsibility Committee (CSR Committee) effective October 21, 2014.

The Composition, Role, Terms of Reference as well as Powers of the CSR Committee of the Company meets the requirements of Section 135 of the Companies Act, 2013 and Rules framed thereunder.

Composition:

As on date, the CSR Committee comprises of 3 members which includes 1 Non-Executive & Independent Directors, 1 Non-Executive Director and 1 Executive Director.

The CSR Committee met on one occasion viz. February 12, 2015. The minutes of the CSR Committee Meeting were noted at the Board Meeting.

The composition of the CSR Committee, category of Members and their attendance at their meeting during the financial year ended March 31, 2015 is given in the table below:

Name of Director	Category	No. of Meetings	
		Held	Attended
Mr. P. Krishnamurthy	Non-Executive and Independent Director	1	1
Mr. Ashok Patel	Non-Executive Director	1	1
Mr. Tarak Patel	Executive Director	1	1
Dr. Amrita Patel *	Non-Executive and Independent Director	1	N.A.

* Appointed as a Member on July 30, 2015

Scope:

The Board of Directors at its meeting held on November 7, 2014, formulated the terms of reference of the Committee to meet with the requirements of the Companies Act, 2013.

The Role of the Committee is as follows:

- 1) To formulate and recommend to the Board, the Corporate Social Responsibility Policy of the Company ("CSR Policy") which shall include inter alia, CSR activities (defined hereunder) to be undertaken by the Company, and the modalities of execution monitoring and implementation schedules of the same. The policy to specify that the surplus arising out of the CSR Activities (defined hereinafter) shall not form part of the business profit of the Company;
- 2) To identify the CSR projects/activities/programs to be undertaken by the Company ("CSR Activities"), in alignment with the CSR Policy, Schedule VII of the 2013 Act and the CSR Rules, as amended from time to time;
- 3) To recommend the amount of expenditure to be incurred by the Company on the CSR Activities for each financial year;
- 4) To institute a transparent monitoring mechanism for monitoring progress/status of implementation of CSR Activities;
- 5) To receive reports and review activities from executive and specialist groups managing CSR Activities;
- 6) To monitor the CSR Policy from time to time and revise the same, wherever necessary;
- 7) To issue a responsibility statement confirming that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company;
- 8) To prepare an annual report on CSR Activities to be included in the Board of Director's Report in the form provided in the Annexure to the Companies (Corporate Social Responsibility Policy) Rules, 2014. The same shall be disclosed on the website of the Company;
- 9) To report the CSR activities undertaken by the Company in the manner prescribed under Segment C of the Form AOC-3 of the Companies (Accounts) Rules, 2014; and

- 10) To carry out such other functions, as may be prescribed under the 2013 Act or CSR Rules or as may be delegated by the Board from time to time.

8. Risk Management Committee:

The Board in compliance with the requirements of Clause 49 of the Listing Agreement with the Stock Exchange constituted a Risk Management Committee effective February 12, 2015.

The Composition, Role, Terms of Reference as well as Powers of the Risk Management Committee of the Company meets the requirements of Clause 49 of the Listing Agreement.

Composition:

The Risk Management Committee comprises of 5 members which includes 3 Directors and 2 members of Senior Management. Ms. Mittal Mehta, Company Secretary is the Secretary of the Committee.

The composition of the Risk Management Committee and category of Members is given in the table below:

Name of Director	Category
Mr. P. Krishnamurthy	Non-Executive and Independent Director
Mr. Ashok Patel	Non-Executive Director
Mr. Tarak Patel	Executive Director
Mr. Ashok Pillai	Chief Operating Officer
Mr. Amar Nath Mohanty	Chief Financial Officer

Risk Management Policy:

The Board of Directors at its meeting held on February 12, 2015, formulated a Risk Management Policy to meet with the requirements of the Clause 49 of the Listing Agreement. The Risk Management Policy is displayed on the Company's website and can be accessed in the link provided hereinbelow: www.gmmpfaudler.com

9. Committee of Independent Directors (IDC) for the Open Offer:

Committee of Independent Directors consisting of Mr. P. Krishnamurthy (Chairman), Dr. S. Sivaram and Dr. Amrita Patel was constituted on January 12, 2015 in terms of Regulation 26(6) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to provide reasoned recommendations on the Open Offer made by the Pfaudler US Inc. (Acquirer) along with Pfaudler Holding S.à r.l. (PAC 1) and Pfaudler Inc. (PAC 2) to the shareholders of GMM Pfaudler Limited.

The Committee of Independent Directors met on February 12, 2015. The Minutes of the Committee of Independent Directors Meetings were noted at the Board Meeting. The attendance at this Meeting was as under:

Name of Director	Designation	No. of Meetings	
		Held	Attended
Mr. P. Krishnamurthy	Non-Executive and Independent Director	1	1
Dr. S. Sivaram	Non-Executive and Independent Director	1	1
Dr. Amrita Patel	Non-Executive and Independent Director	1	1

10. General Body Meeting:

The details of Annual General Meetings (AGM) of Company held during preceding years are as follows:

Year	AGM	Date of Meeting	Time of Meeting	Venue	No. of Special Resolutions passed
2011-12	49th	September 05, 2012	10.00 a.m.	Sardar Vallabhbhai Patel and Veer Vithalbhai Patel Memorial, Anand - Sojitra Road, Karamsad - 388 325, Gujarat	2
2012-13	50th	September 17, 2013	10.00 a.m.		2
2013-14	51st	September 30, 2014	10.00 a.m.		2

All resolutions including the special resolutions at the Annual General Meetings held on September 5, 2012 and September 17, 2013 were passed by way of show of hands. No postal ballots were used for voting at these Meetings.

All resolutions including the special resolutions at the Annual General Meeting held on September 30, 2014 was passed by way of polling.

The details of Extraordinary General Meeting (EGM) of Company held during the year are as follows:

Year	EGM	Date of Meeting	Time of Meeting	Venue	No. of Special Resolutions passed
2014-15		May 16, 2014 adjourned to May 23, 2014	2.30 p.m.	Sardar Vallabhbhai Patel and Veer Vithalbhai Patel Memorial, Anand - Sojitra Road, Karamsad - 388 325, Gujarat	3

All the three special resolutions at the above Extraordinary General Meeting was passed by way of polling.

11. DISCLOSURES:

- Details on transactions with related parties, viz. Promoters, Directors or the Management, their subsidiaries or relatives potentially conflicting with Company's interest are given / appended in Note 42 of 'Notes Forming Parts of the Accounts'. Except payment of sitting fees there has been no pecuniary transaction with any of the Non-Executive Directors of the Company.
- There has been no non-compliance, penalties or strictures imposed on the Company by the Stock Exchange, SEBI or any statutory authority for non-compliance of any matter related to the capital market during the last three years excepting one case in the financial year 2013-14 from SEBI. SEBI had issued a notice dated November 28, 2013 for alleged violation of Regulation 8(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 for the years 2002 to 2010 for delayed filing of shareholdings of promoters group in the format prescribed by SEBI.

The Company had filed a consent application with the High Power Committee, appointed by SEBI and the matter has been disposed off by SEBI vide their consent order dated June 27, 2014 after payment of fees of ₹ 1,192,125 as consent order fees.

- The Company has a process in place that meets the objectives of the whistle blower policy. In the opinion of the Board, there are no cases, where a person was denied access to the grievance process set up by the Company.
- The Company has complied with the mandatory requirements of the Corporate Governance Clause of Listing Agreement.

12. MEANS OF COMMUNICATION:

- Quarterly Results: The approved financial results are forthwith sent to BSE where the shares are listed and are displayed on the Company's website: www.gmmpfaudler.com and are generally published in the Economics Times (Mumbai and Ahmedabad) and Naya Padkar (Anand) newspapers.
- News Releases, Presentations, etc.: Official news releases and presentations made to institutional investor / analysts, etc. are displayed on the Company's website.
- Website: The Company's website www.gmmpfaudler.com contains a separate dedicated section for Investors where Shareholders information is available. Quarterly Results, Annual Reports, Code of Conduct, Presentation to Investors, Shareholding Pattern, etc. are also available on the website.

13. GENERAL SHAREHOLDER INFORMATION:

- Annual General Meeting:

52nd Annual General Meeting of the Company will be held on Monday, September 28, 2015 at 10.00 a.m. at the Sardar Vallabh Patel and Veer Vithalbhai Patel Memorial, Karamsad, Gujarat 388 325.

- Financial year of the Company : April 2015 to March 2016

c) Financial Calendar (Tentative):

Financial reporting for:	
Quarter ended June 30, 2015	4th week of July, 2015
Quarter ended September 30, 2015	1st week of November, 2015
Quarter ended December 31, 2015	1st week of February, 2016
Quarter ended March 31, 2016	2nd week of May, 2016
Annual General Meeting for the year ended March 31, 2015	4th week of September, 2015

- d) Date of Book Closure: Friday, September 18, 2015 to Monday, September 28, 2015 (Both days inclusive)
e) Dividend Payment Date: On or before October 27, 2015
f) Listing of Stock Exchange: BSE Limited
g) Stock Code: 505255
h) Dematerialization: ISIN Number INE541A01023
i) Registrar & Transfer Agents:
Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 Phone 2596 3838, Fax 2594 6969 Contact Person: Mr. Manohar Shirwadkar Email: rnt.helpdesk@linkintime.co.in
j) Share Transfer System:
Transfers are registered and returned within a period of 30 days from the date of receipt. The requests for dematerialization of shares are confirmed within 15 days from the date of receipt.
k) Stock Market Price for the year:

Month	Market Price (₹)		BSE – Sensex	
	High	Low	High	Low
April, 2014	128.00	102.60	22,939.31	22,197.51
May, 2014	133.00	108.00	25,375.63	22,277.04
June, 2014	187.90	137.00	25,725.12	24,270.20
July, 2014	241.90	181.00	26,300.17	24,892.00
August, 2014	226.00	196.15	26,674.38	25,232.82
September, 2014	277.25	202.00	27,354.99	26,220.49
October, 2014	249.60	200.10	27,894.32	25,910.77
November, 2014	280.00	235.60	28,822.37	27,739.56
December, 2014	297.55	232.00	28,809.64	26,469.42
January, 2015	376.90	275.10	29,844.16	26,776.12
February, 2015	342.00	276.20	29,560.32	28,044.49
March, 2015	322.00	246.80	30,024.74	27,868.21

l) Shareholding Pattern as on March 31, 2015:

Category	No. of shares	Percent
Foreign Promoters - Pfaudler Inc.	7,372,475	50.44
Indian Promoters Group	3,590,650	24.56
NRI/OCB	58,402	0.40
Financial Institution, Nationalized Bank, Insurance		
Companies, Mutual Funds	212,975	1.46
Domestic Companies, Clearing Members, Trusts	528,420	3.61
Individuals	2,854,578	19.53
Total	14,617,500	100.00

m) Distribution of Shareholding as on March 31, 2015:

Sr. No.	Slab of shareholding		Shareholders		Shares	
	No. of Equity shares held From	To	Nos.	%	Nos.	%
1.	1	500	5089	83.13	677,370	4.63
2.	501	1000	515	8.41	410,405	2.81
3.	1001	2000	259	4.23	388,175	2.66
4.	2001	3000	76	1.24	191,958	1.31
5.	3001	4000	42	0.69	147,873	1.01
6.	4001	5000	39	0.64	179,313	1.23
7.	5001	10000	64	1.04	462,016	3.16
8.	10001	Above	38	0.62	12,160,390	83.19
		Total	6,122	100.00	14,617,500	100.00

n) Dematerialization:

As on March 31, 2015, 97.28% of the Company's total shares representing 14,219,870 shares are held in dematerialized form and the balance 397,630 representing 2.72% shares are in Physical Form.

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

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

p) Plant Location:

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

q) Shareholders & Investors Correspondence:

Shareholders should address their correspondence to the Company's Registrar and Transfer Agent:
Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West),
Mumbai 400 078. Phone 022-25946970, Fax 022- 2594 6969.
Contact Person: Mr. Manohar Shirwadkar Email: rnt.helpdesk@linkintime.co.in

Declaration under Clause 49 II (E) of the Listing Agreement

As provided under Clause 49 II (E) of the Listing Agreement with BSE Limited, I hereby affirm that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Board Members and Senior Management Personnel of GMM Pfaudler Limited as applicable to them for the year ended March 31, 2015.

For GMM Pfaudler Limited

Tarak Patel
Managing Director

Place : Mumbai
Date : July 30, 2015

CEO / CFO Certificate

The Board of Directors
GMM Pfaudler Limited
Vithal Udyognagar,
Anand - Sojitra Road,
Karamsad - 388 325, Gujarat

Dear Sir(s),

The Managing Director and CFO have certified to the Board that:

- a) They have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2015 and that to the best of their knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.
- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) They have indicated to the auditors and the Audit Committee, the following:
 - i. significant changes in internal control over financial reporting during the year, if any;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For GMM Pfaudler Limited

Tarak Patel
Managing Director

Amar Nath Mohanty
Chief Financial Officer

Place : Mumbai
Date : July 30, 2015

To the Members,
GMM Pfaudler Limited,
Mumbai.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by GMM Pfaudler Limited (the Company) for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit, nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement except for the following matters:

- a) Consequent to change in status of Mr. Darius Shroff as non-independent Director w.e.f. April 1, 2014, the Company was not in compliance with the requirements of Section 149 (4) of the Companies Act, 2013 and Clause 49 II.A(2) of the Listing Agreement regarding of 1/3rd of the Board to comprise of Independent Directors for the period from October 1, 2014 to December 11, 2014, when Dr. Amrita Patel was appointed as an Independent Director on the Board w.e.f. December 11, 2014.
- b) Related Party Transactions were been reported to the Audit Committee at the end of each quarter and were subsequently rectified vide the omnibus approval of the Audit Committee taken on February 12, 2015.
- c) Consequent to the shares acquired under an open offer by National Oilwell Varco Inc. (Acquirer) and Pfaudler Inc. as PAC (both Foreign Promoters) in terms of Regulation 7(4) of Securities and Exchange Board of India (SEBI), (Substantial Acquisition of Shares and Takeovers) Regulations 2011, the shareholding of the promoters in the Company increased to 76.66%. The time-limit to bring down the Promoters' holding by 1.66% (or 242,472 shares), from 76.66% to 75% is one year from the date of closure of the open offer i.e. upto May 20, 2014.

Pfaudler Inc., USA through 'Offer for Sale (OFS)' on BSE on 12.12.2014 have sold 242,472 shares to comply with the minimum public shareholding pursuant to Clause 40A of the Listing Agreement which resulted in 1.66% change from Promoters to Public. The Company was not in compliance with the requirement of minimum 25% public shareholding as required under Clause 40A of the Listing Agreement with BSE during the period from May 20, 2014 to December 16, 2014.

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

For KALYANIWALLA & MISTRY

Chartered Accountants
Firm Registration No: 104607W

Roshni R. Marfatia

Partner
M. No.: 106548
Mumbai: July 30, 2015.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GMM PFAUDLER LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of GMM PFAUDLER LIMITED("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The financial statements disclose the impact of pending litigations on the financial position of the Company - Refer Note 30 to the financial statements
 - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts requiring provision under the applicable law or accounting standards.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For KALYANIWALLA & MISTRY

Chartered Accountants

Firm Registration No. 104607W

ROSHNI R. MARFATIA

Partner

M. No.: 106548

Mumbai: June 8, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2015

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.
- ii) a) The Management has conducted physical verification of inventory (excluding stocks lying with third parties) at reasonable intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on verification between the physical stocks and the book records.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act. Therefore, the provisions of sub-clause (a) and (b) of paragraph 3 (iii) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 to 76, or any other relevant provisions of the Companies Act and the rules framed thereunder. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.
- vi) We have broadly reviewed the books of accounts and records maintained by the Company in respect of manufacture of products covered under the Rules made by the Central Government for maintenance of cost records under section 148 (i) of the Companies Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanation given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues, including dues pertaining to provident fund, Employees' State Insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and the records of the Company examined by us, dues of income-tax, sales tax and excise duty not deposited on account of dispute are as follows:

Name of Statute	Nature of Dues	Amount (₹ in Millions)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income Tax	5.84	AY 2005-06	Gujarat High Court
Income tax Act, 1961	Income Tax	20.77	AY 2010-11	Income Tax Appellate Tribunal, Ahmedabad
Income tax Act, 1961	Income Tax	44.95	AY 2011-12 & 2012-13	Commissioner of Income Tax (Appeals)
Central Sales Tax Act, 1956	Sales Tax	2.85	Various years from 2004-05 to 2009-10	VAT TRIBUNAL
Central Excise Act, 1944	Excise Duty	10.14	Various years from 1996-97 to 2014-15	Assistant Commissioner of Central Excise and Tribunal

- c) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under have been transferred to such fund within time.
- viii) The Company does not have accumulated losses as at the end of the financial year, nor has it incurred cash losses in the current financial year or in the immediately preceding financial year.
- ix) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- x) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi) According to the information and explanations given to us and the records examined by us, the Company has not obtained any term loans.
- xii) Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud on, or by the company, has been noticed or reported during the year.

For KALYANIWALLA & MISTRY
Chartered Accountants
Firm Registration No. 104607W

ROSHNI R. MARFATIA
Partner
M. No.: 106548
Mumbai: June 8, 2015

BALANCE SHEET AS AT MARCH 31, 2015

	Note	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	4	29.23	29.23
Reserves and Surplus	5	1,253.21	1,138.26
		1,282.44	1,167.49
Non-current liabilities			
Deferred tax liabilities (Net)	6	26.94	35.94
Current Liabilities			
Trade payables	7	218.95	253.48
Other current liabilities	8	330.47	363.42
Short term provisions	9	40.77	37.76
		590.19	654.66
Total		1,899.57	1,858.09
II. ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	303.19	341.67
Intangible assets	11	24.75	24.93
Capital work-in-progress		48.24	16.40
		376.18	383.00
Non-current investments	12	226.82	226.82
Long term loans and advances	13	48.30	49.95
		651.30	659.77
Current assets			
Current investments	14	110.37	109.64
Inventories	15	565.54	586.31
Trade receivables	16	213.10	318.29
Cash and Bank Balances	17	299.03	139.85
Short term loans and advances	18	55.39	42.20
Other current assets	19	4.84	2.03
		1,248.27	1,198.32
Total		1,899.57	1,858.09
Significant Accounting Policies	3		

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

As per our report of even date.

For KALYANIWALLA & MISTRY

Chartered Accountants

Firm Registration No: 104607W

Roshni R Marfatia

Partner

M. No. 106548

Mumbai, June 8, 2015

For and on behalf of the Board

P. Krishnamurthy

Ashok Patel

Tarak Patel

Dr. S. Sivaram

Dr. Amrita Patel

A. N. Mohanty

Chairman

Managing Director

Executive Director

Director

Director

Chief Financial Officer

Mumbai, May 19, 2015

Mittal Mehta

Mumbai, June 8, 2015

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note	Year ended 31.03.15 ₹ in Millions	Year ended 31.03.14 ₹ in Millions
REVENUE			
Revenue from operations	20	2,383.08	2,142.64
Less: Excise duty		142.99	137.53
		2,240.09	2,005.11
Other Income	21	33.50	29.27
Total Revenue		2,273.59	2,034.38
EXPENSES			
Cost of raw materials consumed	22	961.51	957.92
(Increase)/Decrease in inventories of finished goods and work-in-progress	23	18.29	(81.04)
Employee benefits expense	24	273.62	231.77
Finance costs	25	5.18	10.55
Depreciation	10 & 11	80.86	70.81
Other expenses	26	673.09	627.71
Total Expenses		2,012.55	1,817.71
Profit before tax		261.04	216.67
Tax expenses:			
Current tax		95.60	84.37
Deferred tax		(6.59)	(10.56)
Profit after tax		172.03	142.86
Earnings per equity share: Basic & Diluted		11.77	9.77
Significant Accounting Policies	3		

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

As per our report of even date.

For KALYANIWALLA & MISTRY

Chartered Accountants

Firm Registration No: 104607W

Roshni R Marfatia

Partner

M. No. 106548

Mumbai, June 8, 2015

For and on behalf of the Board

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Managing Director

Executive Director

Director

Director

Chief Financial Officer

Mumbai, May 19, 2015

Mittal Mehta

Mumbai, June 8, 2015

Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2015

	Year ended 31.03.15 ₹ in Millions	Year ended 31.03.14 ₹ in Millions
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	261.04	216.67
Adjustments for		
Depreciation	80.86	70.81
Net (gain) / loss on sale & discarding of fixed assets	(10.81)	(0.07)
Net (gain) / loss on sale of Current Investments	—	(6.45)
Interest income	(17.08)	(10.79)
Interest and financial charges	5.18	10.55
Dividend Income	(0.11)	(0.75)
Provision for doubtful debts, liquidated damages and advances	(14.26)	5.81
Provision for diminution in value of current investments	(0.71)	0.57
Unrealised foreign exchange fluctuation loss/(gain)	1.15	1.30
Operating profit before working capital changes	305.26	287.65
Adjustments for :		
(Increase)/ Decrease in Inventories	20.76	(120.83)
(Increase)/ Decrease in Trade receivable, Short term loan & advances and other assets	114.81	(69.23)
Increase/ (Decrease) in Trade payables, other current liabilities & Provisions	(60.44)	147.51
Cash generated from operations	380.39	245.10
Direct Taxes paid	(109.69)	(78.65)
Net cash from operating activities	270.70	166.45
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets	(82.39)	(33.08)
Proceeds from sale of fixed assets	12.10	1.15
Purchase of current investments	—	(84.39)
Proceeds from sale of current investments	—	84.08
Proceeds from sale of non-current investments	—	6.05
Fixed deposits maturity proceeds from banks (net)	20.20	2.12
Fixed deposits placed with banks (net)	(112.00)	—
Interest received	15.65	9.74
Dividend received	0.11	0.75
Net cash used in investing activities	(146.33)	(13.58)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(5.18)	(10.55)
Dividend paid	(43.74)	(40.99)
Tax on distributed profits	(8.06)	(5.37)
Net cash used in financing activities	(56.98)	(56.91)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	67.39	95.96
Cash and Cash equivalents at the beginning of the year	119.65	23.69
Cash and Cash equivalents at the end of the year	187.03	119.65
COMPONENTS OF CASH AND BANK BALANCES		
Cash and Cash Equivalent		
Balances with banks		
— In current accounts	44.58	31.38
— In deposit accounts (Less than three months maturity)	139.42	85.16
Cash on hand	0.84	1.04
Other Bank Balances		
— In unpaid dividend accounts	2.19	2.07
Cash and cash equivalents at the end of the year	187.03	119.65
Deposit account with maturity greater than three months but less than one year	112.00	20.20
Cash and Bank Balances at the end of the year	299.03	139.85
The Company has been sanctioned credit facilities for working capital of ₹ 200 million, of which facilities utilised as on March 31, 2015 were ₹ Nil		

As per our report of even date.

For KALYANIWALLA & MISTRY
Chartered Accountants
Firm Registration No: 104607W

Roshni R Marfatia
Partner
M. No. 106548

Mumbai, June 8, 2015

For and on behalf of the Board

P. Krishnamurthy
Ashok Patel
Tarak Patel
Dr. S. Sivaram
Dr. Amrita Patel
A. N. Mohanty

Chairman
Managing Director
Executive Director
Director
Director
Chief Financial Officer

Mumbai, May 19, 2015

Mittal Mehta

Mumbai, June 8, 2015

Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1. CORPORATE INFORMATION

GMM Pfaudler Limited, formerly Gujarat Machinery Manufacturers Limited, ("the Company") was incorporated in India on November 17, 1962. The Company's manufacturing unit is located at Karamsad, Gujarat. The Company's principal activity is the manufacture of corrosion resistant glass-lined equipment used primarily in the chemical, pharmaceutical and allied industries. The Company also manufactures fluoro-polymer products and other chemical process equipment such as agitated nutsche filters, filter driers, wiped film evaporators and mixing systems.

Pfaudler, Inc., USA owns 50.44% of the total issued share capital of the Company. On December 30, 2014 National Oilwell Varco, USA sold Pfaudler Process Solution Group to a German Private Equity firm and under the new structure Pfaudler, Inc. is a wholly owned subsidiary of Pfaudler S.a r.l. Luxembourg.

2. BASIS OF PREPARATION

The financial statement have been prepared in accordance with the generally accepted accounting principles in India. The Company has prepared these financial statement under the historical cost convention on an accrual basis to comply in all material respect with the Accounting Standards specified under section 132 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and the relevant provisions of the Companies Act 2013. The accounting policies have been consistently applied by the Company.

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

3. SIGNIFICANT ACCOUNTING POLICIES

a. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expense during the period. Management believes that the estimates used in preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

b. Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes all expenses related to the acquisition and installation of fixed assets.

Depreciation is provided on a Straight line basis so as to write off the cost to the period of use, on the basis of useful life of asset defined in Schedule II to the Companies Act, 2013 except in the following assets which have a lower useful life that of Schedule II.

Name Of Assets	Useful life
A) Burning Scaffold and Pilot Plant (included under Plant and Machinery)	3 years
B) Telephones (included under Office Equipment)	3 years
C) Vehicles	6 years
D) Computer Software	3 - 6 years
E) Technical Knowhow	3 years

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

Leasehold land and lease improvements are amortized equally over the period of lease.

c. Asset Impairment

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

d. Investments

Investments that are readily available and intended to be held for not more than one year from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Non current investments including strategic investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognize a decline, other than of a temporary nature.

Current investments are stated at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

e. Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined on the weighted average method and is net of CENVAT credits. Cost of work-in-progress and finished goods include conversion cost and appropriate production overheads. Excise duty is provided on finished goods held in stock at the end of the year.

f. Foreign Exchange Transactions

Transactions in foreign currency are recorded at rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency and remaining outstanding are translated at the period end exchange rates and the resultant exchange gains / losses are recognized in the Statement of Profit and Loss. Non monetary foreign currency items are carried at cost and expressed in Indian currency at the rate of exchange prevailing at the time of transactions.

g. Revenue Recognition

Sales of products and services are recognized on dispatch/delivery of the goods or when services are rendered, except large contracts, exceeding the Rupee equivalent of USD 1 million at the time of order receipt and the contract term of at least six months from contract signing through product delivery, which are recognized on percentage of completion basis. Sales are recorded net of trade discounts, sales tax and excise duties.

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

Interest income is recognized on the time proportion method.

h. Product Warranty Expenses

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

i. Employee Benefits

Employee benefits in the form of provident fund, family pension fund and superannuation scheme which are defined contribution schemes are charged to the statement of Profit and Loss of the year when the contributions accrue.

The liability for Gratuity, a defined benefit scheme and provision for Leave Encashment is accrued and provided for in the accounts on the basis of actuarial valuation as at the year end.

j. Operating Expenses

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

k. Leases

Lease arrangements where the risks & rewards incident to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Operating lease expenses are recognized in the statement of Profit and Loss on straight line basis over the lease term.

I. Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate of the amount of the obligation can be made. Provisions are not discounted to its present value and are determined based on current best estimate.

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

m. Taxation

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

Deferred tax is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the Company intends to settle the asset and liability on a net basis. The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

n. Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, debtors and inventories. Segment liabilities include the operating liabilities that result from operating activities of the business segment. Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

o. Earnings Per Share:

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

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

p. Cash & Cash Equivalents:

Cash & Cash Equivalents comprises of cash at bank and in hand and deposits with banks with an original maturity of three months or less.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
4. SHARE CAPITAL		
Authorised 25,000,000 (Previous year 25,000,000) Equity shares of ₹ 2/- each	50.00	50.00
Issued, Subscribed and Paid-up 14,617,500 (Previous year 14,617,500) Equity shares of ₹ 2/- each fully paid up	29.23	29.23
	29.23	29.23
a) Reconciliation of equity shares outstanding at the beginning and end of the reporting year		
Equity Shares:		
	31.03.15	31.03.14
	In Numbers	In Numbers
At the Beginning of the year	14,617,500	14,617,500
Issued during the year	-	-
Outstanding as at the end of the year	14,617,500	14,617,500
	₹ in Millions	₹ in Millions
	29.23	29.23
	-	-
	29.23	29.23
b) Terms/rights attached to equity shares The Company has only one class of equity shares having a par value ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
c) Details of shareholders holding more than 5% shares in the company		
	31.03.15	31.03.14
	Number of shares	Number of shares
Pfautler Inc (Holding Company)	7,372,475	7,614,947
Millars Machinery Company Pvt. Ltd.	1,625,595	1,625,595
	% holding	% holding
	50.44%	52.09%
	11.12%	11.12%
d) Buyback of Shares, Bonus Shares and Shares issued for Consideration other than cash. The company has not boughtback any shares, neither has it issued bonus shares nor has it issued shares for consideration other than cash in the past five years.		
e) Terms of any Securities convertible into equity/preference shares - Not Applicable		
f) Calls Unpaid - Nil		
5. RESERVES AND SURPLUS		
	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
Capital Reserve Balance as per last Balance Sheet	0.02	0.02
Cash Subsidy Reserve Balance as per last Balance Sheet	0.69	0.69
Share Premium Account Balance as per last Balance Sheet	149.28	149.28
General Reserve: Balance as per last Balance Sheet	194.07	179.58
Add: Transfer from Statement of Profit and Loss	17.20	14.49
	211.27	194.07
Surplus in Statement of Profit and loss Balance as per last Balance Sheet	794.20	717.21
Add: Net Profit for the year	172.03	142.86
Less : Depreciation on assets whose remaining useful life is nil, recognised in retained earnings (Net of deferred tax)	4.72	-
Less: Appropriations		
Interim Dividend	30.70	30.70
Final Dividend	13.16	13.16
Tax on distributed profits	8.50	7.53
Transfer to General Reserve	17.20	14.49
	891.96	794.20
	1,253.21	1,138.26

	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
6. DEFERRED TAX LIABILITY		
Deferred Tax Liabilities		
Depreciation on Fixed Assets	38.30	51.29
Deferred Tax Assets		
Technical Know-how Fees	–	0.05
Provision for Doubtful Debts/ Advances	11.36	15.06
Provision for Diminution in Value of Investments	–	0.24
	11.36	15.35
Net Deferred Tax Liabilities	26.94	35.94
7. TRADE PAYABLES		
- Dues to Micro, Small and Medium Enterprises (Refer Note 28)	4.25	0.63
- Dues to others	214.70	252.85
	218.95	253.48
8. OTHER CURRENT LIABILITIES		
Advances from customers	226.55	264.14
Unclaimed dividend	2.19	2.07
Accrued expenses	63.72	56.32
Employee benefits payable	30.86	35.30
Statutory dues payable	7.15	5.59
	330.47	363.42
The amount of Unclaimed Dividend reflects the position as at March 31, 2015. During the year, the Company has transferred an amount of ₹ 0.24 Millions (Previous year ₹ 0.21 Millions) to the Investor Education and Protection Fund in accordance with the provisions of Section 205C of the Companies Act, 1956.		
9. SHORT TERM PROVISIONS		
Provision for employee benefits- gratuity	14.04	7.52
Provision for unexpired warranty	10.89	9.11
Provision for Income Tax (Net of advance payment of taxes ₹ 263.38 Million)	–	5.74
Provision for final dividend	13.16	13.16
Provision for tax on distributed profits	2.68	2.24
	40.77	37.77

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

10. TANGIBLE ASSETS

₹ in Millions

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	As on 01.04.14	Additions	Deductions	As on 31.03.2015	Upto 01.04.2014	For the Year	Adjustment to Reserve	On Deductions	Upto 31.03.15	As on 31.03.15	As on 31.03.14
Freehold Land	2.32	-	-	2.32	-	-	-	-	-	2.32	2.32
Leasehold Land	1.16	-	-	1.16	0.49	0.01	-	-	0.50	0.66	0.67
Lease Improvement	13.72	-	-	13.72	10.00	0.62	-	-	10.62	3.10	3.72
Buildings	170.70	1.46	-	172.16	48.95	4.64	1.41	-	55.00	117.16	121.75
Plant & Machinery	537.72	20.96	24.15	534.53	365.25	51.11	3.86	23.03	397.18	137.36	172.48
Office Equipment	51.43	4.67	0.71	55.39	37.70	7.28	1.79	0.65	46.12	9.28	13.74
Furniture & Fixtures	24.59	1.02	0.05	25.56	15.69	3.87	0.03	0.02	19.57	6.00	8.91
Vehicles	40.87	15.83	4.56	52.14	22.77	6.55	-	4.48	24.84	27.31	18.11
Total	842.51	43.94	29.47	856.97	500.83	74.08	7.09	28.18	553.81	303.19	341.67
Previous Year Total	827.63	21.93	7.06	842.51	443.20	63.60	-	5.98	500.83	341.68	-

11. INTANGIBLE ASSETS

ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK			
	As on 01.04.14	Additions	Deductions	As on 31.03.2015	Upto 01.04.2014	For the Year	Adjustment to Reserve	On Deductions	Upto 31.03.15	As on 31.03.15	As on 31.03.14
Computer Software	33.94	3.52	-	37.46	9.01	5.76	-	-	14.77	22.69	24.93
Technical Knowhow	-	3.09	-	3.09	-	1.03	-	-	1.03	2.06	-
Total	33.94	6.61	-	40.55	9.01	6.79	-	-	15.80	24.75	24.93
Previous Year Total	30.38	3.56	-	33.94	1.81	7.20	-	-	9.01	24.93	-

Notes:

- There are no adjustment to fixed assets on account of borrowing cost and exchange differences during the year.
- Adjustment under Depreciation represents the carrying amount of fixed asset on the date of Schedule II coming into effect, namely April 1, 2014 whose remaining useful life is Nil, being recognized in the opening balance of retained earnings.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

12. NON CURRENT INVESTMENTS

₹ in Millions

	Face value	Number As At 31.03.15	Cost As At 31.03.15	Number As At 31.03.14	Cost As At 31.03.14
TRADE INVESTMENTS - FULLY PAID (VALUED AT COST)					
(a) Equity Shares (unquoted)					
Subsidiary Companies					
GMM Mavag Ag (Face Value CHF 1,000)	1,000	5,000	213.90	5,000	213.90
Karamsad Investments Ltd.	10	260,000	2.60	260,000	2.60
Karamsad Holdings Ltd.	10	350,000	3.50	350,000	3.50
			<u>220.00</u>		<u>220.00</u>
(b) Shares in Co-operative Societies (unquoted)					
Karamsad Urban Co-op. Bank Ltd.	10	1,200	0.01	1,200	0.01
Charotar Gas Sahakari Mandli Ltd.	500	10	0.01	10	0.01
			<u>0.02</u>		<u>0.02</u>
OTHER INVESTMENTS - FULLY PAID (VALUED AT COST)					
(c) Equity Shares (quoted)					
Abbott India Ltd.	10	100	0.01	100	0.01
BASF India Ltd.	10	276	0.01	276	0.01
Bayer Cropscience Ltd.	10	50	0.00	50	0.00
Clariant Chemical India	10	50	0.00	50	0.00
Dharamshi Morarji Chemicals Co. Ltd.	10	100	0.00	100	0.00
Excel Crop Care Ltd.	5	112	0.00	112	0.00
Excel Industries Ltd.	5	112	0.01	112	0.01
Futura Polyster Ltd.	10	100	0.00	100	0.00
Glaxo Smithkline Pharmaceuticals Ltd.	10	122	0.01	122	0.01
GHCL Ltd.	10	100	0.00	100	0.00
Hico Products Ltd.	10	625	0.01	625	0.01
IDI Ltd.	10	66	0.00	66	0.00
Innovsynth Investments Ltd. (As per arrangement with Futura)	10	45	0.00	45	0.00
Kansai Nerolac Paints Ltd.	1	6,660	0.01	666	0.01
Nestle India Ltd.	10	93	0.01	93	0.01
Novartis (India) Ltd.	5	70	0.01	70	0.01
Piramal Enterprise Ltd.	2	399	0.00	399	0.00
Piramal Phytocare Ltd. (Formerly Piramal Life Science Ltd.)	10	39	0.00	39	0.00
Piramal Glass Ltd.	10	19	0.00	19	0.00
Peninsula Land Ltd.	2	1,040	0.00	1,040	0.00
Pfizer Ltd.	10	170	0.01	135	0.01
Skyline Millars Ltd.	1	1,406,000	1.93	1,406,000	1.93
Shubh Shanti Services Ltd.	10	25	0.00	25	0.00
SI Group - India Ltd.	10	50	0.01	50	0.01
Tata Chemicals Ltd.	10	161	0.01	161	0.01
United Phosphorus Ltd.	2	7,500	0.41	7,500	0.41
Wyeth Ltd.	10	0.00	0.00	50	0.00
			<u>2.45</u>		<u>2.45</u>
(d) Government Securities (quoted)					
Indian Railway Finance Corp. Bonds	1000	4,350	4.35	4,350	4.35
Total Investments			<u>226.82</u>		<u>226.82</u>
Aggregate amount of quoted investment			<u>6.80</u>		<u>6.80</u>
Market Value of quoted investment			16.88		12.79
Aggregate amount of unquoted investment			220.02		220.02

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
13 LONG TERM LOANS AND ADVANCES		
(Unsecured)		
Capital Advances	0.65	2.13
Balances with indirect tax authorities	3.33	3.03
Security Deposits (including ₹ 0.17 Million consider doubtful) [Refer Note : 27]	44.49	44.96
Less : Provision for doubtful security deposits	0.17	0.17
	44.32	44.79
	48.30	49.95

	Face value ₹	Number As At 31.03.15 ₹ in Millions	Cost As At 31.03.15 ₹ in Millions	Number As At 31.03.14 ₹ in Millions	Cost As At 31.03.14 ₹ in Millions
14 CURRENT INVESTMENT					
In Units of Mutual funds, Unquoted (Valued at lower of cost and fair value)					
HDFC Cash Management Fund					
- Treasury Advantage Plan - Retail - Weekly Dividend	10	36,246	0.36	34,271	0.34
IDFC SSIF Medium Term Plan A Growth	10	1,379,698	27.00	1,379,698	27.00
Reliance Dynamic Bond Fund Growth	10	632,586	10.31	632,586	10.31
Birla Sun Life Govt. Securities long term growth	10	606,632	21.87	606,632	21.87
Reliance Short Term Fund Growth	10	1,387,389	31.16	1,387,389	31.16
HDFC High Interest Fund Dynamie plan - Growth	10	283,306	11.57	283,306	11.57
ICICI Prud.In.Regular Plan Growth	10	210,936	8.10	210,936	8.10
			110.37		110.35
Provision for diminution in value of Investments			-		(0.71)
			110.37		109.64
Aggregate amount of unquoted investments			110.37		110.35
Aggregate provision for diminution in investments			-		0.71

	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
15. INVENTORIES		
(Valued at lower of cost or net realisable value)		
Raw materials	205.40	205.93
Work-in-progress	288.87	299.22
Finished goods (Including in transit ₹ 8.40 Million Previous year ₹ 3.14 Million)	51.43	59.37
Stores and spares	19.84	21.79
	565.54	586.31

16. TRADE RECEIVABLES		
(Unsecured)		
Outstanding for a period over six months		
Considered good	24.60	89.44
Considered doubtful	34.89	40.96
	59.49	130.40
Other debts		
Considered good	188.50	228.85
Considered doubtful	7.61	14.54
	196.11	243.39
Less : Provision for doubtful debts	42.50	55.50
	153.61	187.89
	213.10	318.29

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
17. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with banks		
- In current accounts	44.58	31.38
- In deposit accounts with maturity less than three months	139.42	85.16
Cash and stamps on hand	0.84	1.04
Other Bank Balances		
- In deposit accounts with maturity greater than three months but less than twelve month	112.00	20.20
- In unpaid dividend accounts - Earmarked balances	2.19	2.07
	299.03	139.85
18. SHORT TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)		
Considered Good :		
Loans and advances to related parties (Refer Note:42)	10.90	6.64
Loans and advances to employees	2.66	3.18
Other Loans and advances	1.65	4.00
Balance with central excise authorities	14.33	16.06
Prepaid expenses	11.13	6.92
Advance payment to suppliers	6.37	5.40
Advance payment of income taxes	8.35	-
(Net of provision for taxation ₹ 114.13 Million)	55.39	42.20
Considered Doubtful :		
Other Loans and advances	0.52	1.78
Less: Provision for Doubtful Advances	0.52	1.78
	(0.00)	(0.00)
	55.39	42.20
19. OTHER CURRENT ASSETS		
Interest accrued on deposits with banks	2.48	1.05
Accrued income	2.36	0.98
	4.84	2.03
20. REVENUE FROM OPERATIONS	Year Ended 31.03.15 ₹ in Millions	Year Ended 31.03.14 ₹ in Millions
Revenue from Sale of Products	2,350.25	2,105.17
Other Operating Revenues	32.83	37.47
	2,383.08	2,142.64
Less: Excise Duty	142.99	137.53
Total	2,240.09	2,005.11
For details refer Note 32		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year Ended 31.03.15 ₹ in Millions	Year Ended 31.03.14 ₹ in Millions
21. OTHER INCOME		
Interest Income (Gross)		
- Non - current investments	0.30	0.34
- Deposits with banks	15.14	9.12
- Others	1.63	1.33
Dividend Income		
- Non - current investments	0.02	0.03
- Current Investments	0.09	0.72
Net Gain on Sale of Investments		
- Current Investments	-	6.45
Other non-operating income		
- Bad Debts Recovered	0.52	0.15
- Profit on sales of fixed assets	10.81	0.07
- Miscellaneous Income	3.34	5.83
Net gain on foreign exchange translations	1.65	5.23
	33.50	29.27
22. COST OF RAW MATERIALS CONSUMED		
Opening Stock of Raw Materials	227.71	187.94
Add: Purchases during the year	959.05	997.69
	1,186.76	1,185.63
Less: Closing stock of Raw Materials	225.25	227.71
	961.51	957.92
For details refer Note 33		
23. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Inventory of finished good at the beginning of the year	59.37	26.67
Inventory of finished good at the closing of the year	51.43	59.37
	7.94	(32.70)
Inventory of work in progress at the beginning of the year	299.22	250.88
Inventory of work in progress at the closing of the year	288.87	299.22
	10.35	(48.34)
24. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	229.28	197.50
Contribution to Provident and Other Funds	31.87	23.72
Staff Welfare Expenses	12.47	10.55
	273.62	231.77
25. FINANCE COSTS		
Interest on bank overdraft	0.29	1.07
Other financial charges	4.89	9.48
	5.18	10.55

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year Ended 31.03.15 ₹ in Millions	Year Ended 31.03.14 ₹ in Millions
26. OTHER EXPENSES		
Labour Charges Paid to Subcontractors	179.90	152.90
Power & Fuel	162.23	152.35
Consumption of Stores & Spares	89.46	87.62
Repairs to Machinery	26.34	24.50
Repairs to Buildings	3.07	2.15
Repairs - Others	2.91	0.89
Rent	25.92	12.13
Insurance	6.28	5.80
Rates & Taxes	4.54	5.25
Royalty	5.53	11.54
Travel & Conveyance	33.52	26.18
Communication	6.96	6.43
Bad debts written off	6.35	6.00
Provision for doubtful debts and advances	(12.14)	11.38
Provision for Warranty expenses	2.95	5.66
Advertisement and sales promotion	5.71	1.79
Commission	5.06	10.54
Legal and professional fees	19.49	15.57
Freight outward	44.61	36.18
Provision for diminution in value of Investment	(0.71)	0.57
Payments to Auditors	3.33	2.78
Expense on CSR activities	2.03	-
Miscellaneous Expenses	49.75	49.50
	673.09	627.71

27. LONG TERM LOANS AND ADVANCES

Security Deposits include ₹ **30.70 million (previous year ₹ 30.70 million)** of security deposits paid to Ready Mix Concrete Limited (a entity in which Key Managerial Person have significant influence) for use of three additional factory sheds taken under lease by the Company from November 01, 2012.

28. CURRENT LIABILITIES - DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The amount of dues owed to Micro, Small and Medium Enterprises as on 31st March, 2015 amounted to ₹ 4.05 Millions (Previous year ₹ 0.55 Millions). This amount has been outstanding for more than 45 days at the Balance Sheet date. The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

	₹ in Millions	
	2014-15	2013-14
Principal amount due to suppliers and remaining unpaid under MSMED Act, 2006	4.05	0.55
Interest accrued and due and unpaid to suppliers under MSMED Act, on the above amount	0.20	0.08
Interest paid	-	-
Payment made to suppliers (Other than interest) beyond the appointed day, during the year	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made for the period of delay	0.28	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	0.28	-
Amount of further interest remaining due and payable in succeeding year	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

29. OPERATING LEASE

The Company's significant leasing arrangements are in respect of operating leases for factory shed/premises and guest house. These lease agreements range up to 60 months from the end of the current financial year and are usually renewable by mutual consent on mutually agreeable terms.

The total future minimum lease payments under operating lease are as under:

	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
(i) Total Minimum lease payments		
Payable within one year	25.92	8.89
Payable later than one year and not later than five year	79.04	26.71
Payable after five years	-	-
(ii) Lease payment recognised in Statement of Profit and Loss for the year	25.92	12.13

30. CONTINGENT LIABILITIES AND COMMITMENTS

	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
1) Contingent Liabilities		
a) Claim against the Company not acknowledged as debts		
i) Dispute relating to Excise, Service tax and Sales tax	12.99	8.70
ii) Matter decided in favour of the company where the income tax department has preferred appeals.	5.84	0.00
iii) Disputed demands relating to tax against which the Company has preferred appeals.	65.72	24.07
b) Guarantee issued by bank	206.14	241.98
2) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	8.28	7.99

31. DETAILS OF FINISHED INVENTORIES

₹ in Millions

Items	Units	As at 31.03.15 Qty	As at 31.03.15 Value	As at 31.03.14 Qty	As at 31.03.14 Value
1. Enameled acid & alkali and chemical equipment	Litres (in '000)	110.57	26.87	178.20	49.44
2. Mild steel and stainless steel equipment	MT	60.93	20.67	9.49	7.06
3. Others		-	3.89	-	2.87
			51.43		59.37

32. DETAILS OF SALES

₹ in Millions

Items	Units	Year ended 31.03.15 Qty	Year ended 31.03.15 Value	Year ended 31.03.14 Qty	Year ended 31.03.14 Value
1. Enameled acid & alkali and chemical equipment	Litres (in '000)	5,234	1,397.28	4,420	1,188.63
2. Mild steel and stainless steel equipment	MT	351	634.97	410	591.92
3. Fusion seamed products and Isostatic moulded products					
- Dip pipes and sparger	Nos.	157	9.21	17	1.03
4. Others			198.63		223.53
			2,240.09		2,005.11

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

33. DETAILS OF RAW MATERIALS CONSUMED				₹ in Millions	
Items	Units	Year ended 31.03.15		Year ended 31.03.14	
		Qty	Value	Qty	Value
MS Plate	MT	5,989	292.50	5,871	258.39
Stainless Steel Plate	MT	351	70.68	410	80.59
Pipes	Meters	25,054	30.75	42,352	38.90
Teflon Powder	KG	29,124	18.46	25,313	15.28
Motors	Nos.	982	37.68	1,006	34.16
Gears	Nos.	1,086	60.46	1,128	54.31
Mechanical Seals	Nos.	836	66.95	903	72.65
Accessories			94.08		83.26
Others			289.95		320.38
			961.51		957.92

34. IMPORTED AND INDIGENOUS RAW MATERIALS AND SPARES CONSUMED					₹ in Millions	
Items		Year ended 31.03.15		Year ended 31.03.14		
		Percent	Value	Percent	Value	
Raw materials (including components)						
- Imported (at landed cost)		7.8%	74.63	8.7%	82.94	
- Indigenous		92.2%	886.88	91.3%	874.98	
		100.0%	961.51	100.0%	957.92	
Stores and spare parts						
- Imported (at landed cost)		0.2%	0.15	0.7%	0.60	
- Indigenous		99.8%	89.31	99.3%	87.02	
		100.0%	89.46	100.0%	87.62	

35. VALUE OF IMPORTS ON CIF BASIS		₹ in Millions	₹ in Millions
		Year ended 31.03.15	Year ended 31.03.14
Raw material and components		77.96	154.19
Stores and spares		0.76	1.34
		78.72	155.53

36. EXPENDITURE IN FOREIGN CURRENCY		₹ in Millions	₹ in Millions
		Year ended 31.03.15	Year ended 31.03.14
Royalty		5.53	11.54
Foreign travel		6.33	3.54
Technical Services, Consultancy, Commission, etc.		13.07	12.89
		24.93	27.97

37. DIVIDEND REMITTED IN FOREIGN CURRENCY		₹ in Millions	₹ in Millions
		Year ended 31.03.15	Year ended 31.03.14
Final Dividend for 2013-14 on 76,14,947 shares of ₹ 2/- each		6.85	-
1st Interim Dividend for 2014-15 on 76,14,947 shares of ₹ 2/- each		5.33	-
2nd Interim Dividend for 2014-15 on 76,14,947 shares of ₹ 2/- each		5.33	-
3rd Interim Dividend for 2014-15 on 73,72,475 shares of ₹ 2/- each		5.16	-
Final Dividend for 2012-13 on 74,54,400 shares of ₹ 2/- each		-	5.33
1st Interim Dividend for 2013-14 on 74,54,400 shares of ₹ 2/- each		-	5.33
2nd Interim Dividend for 2013-14 on 74,54,400 shares of ₹ 2/- each		-	5.33
3rd Interim Dividend for 2013-14 on 74,54,400 shares of ₹ 2/- each		-	5.33
Number of (non-resident) shareholders		1	1

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended 31.03.15 ₹ in Millions	Year ended 31.03.14 ₹ in Millions
38. EARNINGS IN FOREIGN CURRENCY		
FOB value exports	342.27	429.80
Commission	-	4.37
Sale of fixed assets	8.60	-
	<u>350.87</u>	<u>434.17</u>
39. PAYMENTS TO AUDITORS		
As Auditor		
Audit fees	1.42	1.42
Limited review fees	0.68	0.68
Consolidation	0.20	0.20
Tax audit fees	0.20	0.20
Other services		
– Certification	0.40	0.15
– Company law matter	0.30	-
Reimbursement of out-of-pocket expenses	0.13	0.13
	<u>3.33</u>	<u>2.78</u>
40. EMPLOYEE BENEFITS		
The amounts recognised in the Company's financial statements as at the year end are as under:	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
Gratuity:		
a Assumptions :		
Discount Rate	8.05%	9.39%
Rate of Return on Plan Assets	8.05%	8.70%
Salary Escalation	7.0%	7.0%
	Indian Assured Lives Mortality 2006-08 Ultimate Table	Indian Assured Lives Mortality 2006-08 Ultimate Table
Mortality		
b Table showing changes in Benefit Obligation :		
Liability at the beginning of the year	59.10	51.72
Interest cost	5.55	4.27
Current service cost	3.00	2.13
Benefit paid	(15.53)	(4.37)
Actuarial (gain)/loss on obligations	9.48	5.35
Liability at the end of the year	<u>61.60</u>	<u>59.10</u>
c Change in Plan Assets :		
Fair value of Plan Assets at the beginning of the year	51.57	46.22
Expected Return on Plan Assets	4.49	4.02
Contributions	7.51	5.50
Benefit Paid	(15.53)	(4.37)
Actuarial gain / (loss) on Plan Assets	(0.49)	0.20
Fair value of Plan Assets at the end of the year	<u>47.56</u>	<u>51.57</u>
Total Actuarial Gain / (Loss) to be recognized	<u>9.97</u>	<u>5.15</u>
d Actual Return on Plan Assets :		
Expected Return on Plan Assets	4.49	4.02
Actuarial gain / (loss) on Plan Assets	(0.49)	0.20
Actual Return on Plan Assets	<u>4.00</u>	<u>4.22</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
e Amount Recognized in the Balance Sheet:		
Liability at the end of the year	61.60	59.10
Fair value of Plan Assets at the end of the year	47.56	51.57
Net (Liability)/Asset Recognized in the Balance Sheet	(14.04)	(7.53)
f Expenses Recognized in the Income Statement:		
Current Service cost	3.00	2.13
Interest Cost	5.55	4.27
Expected return on Plan Assets	(4.49)	(4.02)
Net Actuarial (gain) / loss to be recognized	9.97	5.15
Expense Recognized in Profit & Loss	14.04	7.53
g Balance Sheet Reconciliation:		
Opening Net Liability	7.52	5.50
Expenses as above	14.03	7.52
Employers Contribution	(7.51)	(5.50)
Amount Recognized in Balance Sheet	14.04	7.52
h. Other Details:		
Gratuity is payable at the rate of 15 days salary for each year of service.		
Salary escalation is considered as advised by the Company which is in line with the industry practice considering promotion and demand and supply of the employees.		
i Category of Assets:		
Insurer Managed Funds	47.56	51.57
41. EARNING PER SHARE	Year ended 31.03.15	Year ended 31.03.14
a) Net profit for the year available to equity shareholders after Tax in ₹ Millions'	172.03	142.86
b) Weighted average number of Equity Shares during the year	14,617,500	14,617,500
c) Face value of Equity Share in ₹	2	2
d) Basic and diluted earnings per share (₹)	11.77	9.77

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

42. RELATED PARTY DISCLOSURES

(I) List of Related parties

(a) Parties where control exists:

(i) Ultimate Holding Company: : National Oilwell Varco Inc.(Up to December 30, 2014)
Pfaudler S.a r.l. Luxembourg (From December 31, 2014)

(ii) Holding Company: : Pfaudler Inc.

(b) Subsidiary Companies : Karamsad Holdings Ltd.
Karamsad Investments Ltd.
GMM Mavag AG
Mavag AG

(c) Fellow Subsidiaries : Pfaudler Werke GMBH
Pfaudler Balfour Ltd.
Edlon PSI Inc.
Suzhou Pfaudler Glass Lined Equipment Co. Ltd.
Glass Steel Parts and Services
Tycon Technoglass
Pfaudler Rochester,USA
National Oilwell Varco LLP (Formerly Chemineer Inc)
Robbins & Myers DE Mexico, SA.DECV
Robbins & Myers Inc.(From 21st February 2013)

(d) Key management personnel : Mr. Ashok J. Patel – Managing Director
Mr. Tarak A. Patel – Executive Director
Mr. Ashok C. Pillai – Chief Operating Officer
Mr. Amar Nath Mohanty - Chief Financial Officer
Ms. Mittal Mehta - Company Secretary

(e) Relative of Key management personnel : Mrs. Urmi A. Patel (wife of Mr. Ashok J. Patel)
Mrs. Uttara G. Gelhaus (Daughter of Mr. Ashok J. Patel)

(f) Enterprises over which key managerial personnel have significant influence : Skyline Millars Ltd.
Ready Mix Concrete Ltd.
Ashok J Patel - HUF
J V Patel & Co.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

42. RELATED PARTY DISCLOSURES (Continued)

(II) Transactions with related parties

₹ in Millions

Transaction	Ultimate Holding Company	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Key Management Personnel	Relative of Key Management Personnel	Other Related Parties
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15
Purchase of goods	-	-	4.52	17.07	24.16	31.56	-
Sale of goods	-	-	31.24	53.53	51.40	39.00	-
Receiving of services	-	-	-	0.03	-	-	18.87
Providing of services	-	-	-	-	0.96	-	22.15
Royalty	-	-	-	-	-	-	-
Lease Rent paid	-	-	-	-	-	-	-
Remuneration paid	-	-	-	-	26.80	19.49	24.93
Dividend paid	-	-	-	-	3.61	3.32	-
Advance given	-	-	-	-	6.00	-	-
Advance to Subsidiaries received back	-	-	0.96	-	-	-	-
Commission received on services provided	-	-	-	-	-	-	-
Commission paid on services received	-	-	-	-	-	-	-
Balance outstanding							
Payables	-	47.12	-	0.09	1.01	15.91	2.43
Receivables	-	-	3.69	32.09	4.53	18.78	-
Deposit outstanding	-	-	-	-	-	-	30.70

42. (III) Significant Related Party Transactions are as under:

Nature of transactions	Name of the Party	Year ended 31.03.15 ₹ in Millions	Year ended 31.03.14 ₹ in Millions
Purchase of goods	Mavag AG	4.52	17.07
	Pfautler Werke GMBH	20.27	26.24
	Tycon Technoglass	2.89	4.98
Sale of goods	Mavag AG	22.64	53.53
	Tycon Technoglass	11.83	-
	Pfautler Inc.	11.06	-
	Pfautler Werke GMBH	35.91	34.32
Sale of Fixed Assets	Mavag AG	8.60	-
Receiving Services	Ready Mix Concrete Ltd.	17.87	19.69
	Skyline Millars Ltd.	1.00	2.46
Providing Services	National Oilwell Varco LLP (Formerly Chemineer Inc)	0.96	-
Lease rent paid	Ready Mix Concrete Ltd.	23.92	7.76
Royalty	Pfautler Inc.	5.53	11.54
Remuneration paid	Mr. Ashok Patel	11.20	11.20
	Mr. Ashok Pillai	5.98	5.08
	Mr. Tarak Patel	4.19	3.21
	Mr. Amar Nath Mohanty	4.16	3.76
Dividend paid	Pfautler Inc.	22.68	21.32
	Mr. Ashok Patel	3.09	2.82
Commission on services received	Tycon Technoglass	-	5.02
	Suzhou Pfautler	1.27	0.78
Commission on services provided	National Oilwell Varco LLP (Formerly Chemineer Inc)	-	4.37
Advance given	Mr. Ashok Pillai	6.00	-
Balances outstanding as on March 31, 2015			
Payables	Pfautler Inc.	47.12	42.42
	Skyline Millers Limited	0.20	0.37
	Ready Mix Concrete Ltd.	2.17	0.52
	Glass Steel & Parts Services	0.19	-
	Pfautler Werke GMBH	0.81	12.33
Receivables	Mavag AG	-	26.84
	Pfautler Werke GMBH	3.98	17.90
	Suzoh Pfautler	-	2.55
	Tycon Technoglass	0.55	-
Deposit outstanding	Ready Mix Concrete Ltd.	30.70	30.70
	GMM Mavag AG	3.69	5.24
Key Managerial Personal			
Receivable	Mr. Amar Nath Mohany	1.22	0.90
	Mr. Ashok Pillai	6.00	-
Payable	Mr. Ashok Patel	1.63	1.63

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

43. SEGMENT REPORTING

(a) Primary segment reporting by Business Segment

₹ in Millions

Particulars	Chemical Processing Equipment		Mixing Systems		Filtration/Separation Equipment & Others		Total
Year Ended	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.14
Revenue :							
Total External Sales	1,828.05	1,641.04	164.44	150.52	247.60	213.55	2,005.11
Segment Results:							
Profit/(Loss) Before Tax and Interest	267.98	225.31	18.72	13.05	20.43	21.56	259.92
Unallocated Expense (Net)	-	-	-	-	-	-	32.70
Less: Interest	-	-	-	-	-	-	10.55
Profit/(Loss) Before Tax	-	-	-	-	-	-	216.67
Taxes	-	-	-	-	-	-	73.81
Net Profit After Tax	-	-	-	-	-	-	142.86
Segment Assets	934.55	1,084.02	71.13	76.94	160.53	142.56	1,303.52
Unallocated Assets	-	-	-	-	-	-	554.57
Total Assets	-	-	-	-	-	-	1,858.09
Segment Liabilities	457.03	506.03	45.80	52.11	69.31	73.28	631.42
Unallocated Liabilities	-	-	-	-	-	-	59.18
Total Liabilities	-	-	-	-	-	-	690.60
Capital Expenditure	33.30	15.28	-	-	2.11	1.21	16.49
Unallocated Capital Expenditure	-	-	-	-	-	-	9.00
Depreciation	66.46	57.09	3.62	4.47	5.45	6.34	67.90
Unallocated Depreciation	-	-	-	-	-	-	2.91

(b) Secondary segment reporting by Geographical Segment:

₹ in Millions

Particulars	Within India		Outside India		Total
Year Ended	31.03.15	31.03.14	31.03.15	31.03.14	31.03.14
Revenue	1,898.84	1,574.73	341.25	430.38	2,005.11

Notes:

- 1) The Business segments have been identified in line with the Accounting Standard 17 on "Segment Reporting", taking into account the nature of product, the nature of manufacturing process, the class of customers, the organization structure and the internal financial reporting system.
- 2) Segment revenue, results, assets and liabilities include amounts that are directly attributable to the respective segments. Amounts not directly attributable have been allocated to the segments on the best judgment of the management in the absence of detailed internal financial reporting system. Expenses not directly allocable to the segments are treated as "Unallocated Expenses".

44. Corporate Social Responsibility (CSR) Expenditure

Expenditure related to CSR as per section 135 of the Companies Act, 2013 read with Schedule VII thereof, against the mandatory spend of ₹ 3.62 million.

Sr. No.	Sector Activity Identified	CSR Project	Location	Implementing Agency	Budget ₹ in Millions	Amount spent ₹ in Millions
1.	Hospital / Rural Healthcare	Contribution for promoting rural healthcare	Karamsad, Gujarat	Charutar Arogya Mandal	1.00	1.00
2.	Hospital / Rural Healthcare	Contribution for setting an Out Patient Department (OPD) at Shri Krishna Hospital, Karamsad	Karamsad, Gujarat	Charutar Arogya Mandal	0.60	0.60
3.	Environment Sustainability	Contribution to Sardar Patel Trust	Karamsad, Gujarat	Sardar Patel Trust	0.21	0.21
4.	Skill Development	Contribution to JV Patel ITI school	Karamsad, Gujarat	JV Patel ITI	0.20	0.20
5.	Child Protection & Youth Empowerment	Contribution to Committed Communities Development Trust	Mumbai	Committed Communities Development Trust	0.02	0.02
				Total	2.03	2.03

45. UN-HEDGED FOREIGN CURRENCY EXPOSURES AS AT THE YEAR END:

	As at 31.03.15 in Millions		As at 31.03.14 in Millions	
	Receivable	Payable	Receivable	Payable
US Dollar	0.23	0.01	0.04	0.02
Euro	0.04	0.03	0.27	0.50
CHF	-	0.00	-	0.00
JPY	-	3.21	-	-
AUD	-	-	-	-

46. Pursuant to notification of Schedule II to The Companies Act, 2013, the Company has assessed the useful life of fixed assets and the depreciation for the year has been provided on the basis of the useful lives w.e.f. April 01, 2014. This change has resulted in a higher depreciation of ₹ 27.90 Millions for the year and an amount of ₹ 4.68 million (net of deferred tax) has been recognized in the opening balance of retained earnings.

47. Previous years figures have been regrouped/reclassified wherever necessary.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GMM Pfaudler Limited ('the Holding Company') and its subsidiaries (the Holding Company and its Subsidiaries together referred to as 'the Group'), which comprise the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information ('the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective board of directors of the Companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial. Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2015, and its consolidated profit and its consolidated cash flows for the year ended on that date.

Emphasis of Matter

We refer to the report of the component auditor regarding provision for retirement benefits in respect of the employees of the Company's subsidiary in Switzerland having been made in accordance with Swiss local laws. The impact, if any, of the differences with AS 15 have not been ascertained, however, in the opinion of the management, the same is not expected to be material.

Our opinion is not modified in respect of the above matter.

Other Matters

We did not audit the financial statements and other financial information of four subsidiaries included in the consolidated financial statements, whose consolidated financial statements reflect total assets of ₹ 667.78 million as at March 31, 2015, total revenue of ₹ 867.62 million and net cash flows of 27.06 million for the year ended March 31, 2015 as considered in the preparation of the consolidated financial statements.

These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matter with, respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' report of the Holding and Subsidiary Companies incorporated in India to whom the provisions of the Order apply ("covered entities"), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) Except for the matter described under emphasis of matter above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India none of the directors of the Companies incorporated in India, is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's report of the covered entities:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 29 to the financial statements
 - ii. The Group did not have any material foreseeable losses on long term contracts including derivative contracts requiring provision under the applicable law or accounting standards.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and the covered entities.

For KALYANIWALLA & MISTRY

Chartered Accountants

Firm Registration No. 104607W

ROSHNI R. MARFATIA

Partner

M. No.: 106548

Mumbai: June 8, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Consolidated financial statements for the year ended March 31, 2015 :

- i) a) The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The Holding Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Holding Company and the nature of its assets. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account;
- ii) a) The Holding Company has conducted physical verification of inventory (excluding stocks lying with third parties) at reasonable intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by management of holding company are reasonable and adequate in relation to the size of the Companies and the nature of its business.
- c) The Holding Company is maintaining proper records of inventory and no material discrepancies were noticed on verification between the physical stocks and the book records.
- iii) The Holding Company and the covered entities have not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act. Therefore, the provisions of sub-clause (a) and (b) of paragraph 3 (iii) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding Company and the covered entities and the nature of their business, for the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- v) In our opinion and according to the information and explanations given to us, the Holding Company and the covered entities have not accepted any deposits from the public within the meaning of section 73 to 76, or any other relevant provisions of the Companies Act and the rules framed thereunder. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.
- vi) We have broadly reviewed the books of accounts and records maintained by the Holding Company in respect of manufacture of products covered under the Rules made by the Central Government for maintenance of cost records under section 148 (i) of the Companies Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanation given to us and the records examined by us, the Holding Company and the covered entities are generally regular in depositing undisputed statutory dues, including dues pertaining to provident fund, Employees' State Insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, the holding company and the covered entities do not have any undisputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and the records of the Holding Company examined by us, dues of income-tax, sales tax and excise duty not deposited on account of dispute are as follows:

Name of Statute	Nature of Dues	Amount (₹ in Millions)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income Tax	5.84	AY 2005-06	Gujarat High Court Income Tax Appellate Tribunal, Ahmedabad
Income tax Act, 1961	Income Tax	20.77	AY 2010-11	
Income tax Act, 1961	Income Tax	44.95	AY 2011-12 & 2012-13	Commissioner of Income Tax (Appeals)
Central Sales Tax Act, 1956	Sales Tax	2.85	Various years from 2004-05 to 2009-10	VAT TRIBUNAL
Central Excise Act, 1944	Excise Duty	10.14	Various years from 1996-97 to 2014-15	Assistant Commissioner of Central Excise and Tribunal

c) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

viii) The Holding Company and the covered entities do not have accumulated losses as at the end of the financial year, nor have they incurred cash losses in the current financial year, or in the immediately preceding financial year.

ix) According to the information and explanation given to us and the records examined by us, the Holding Company and the covered entities do not have any outstanding dues to financial institutions, banks or debenture holders during the year.

x) According to the information and explanations given to us and based on the documents and records produced before us, the Holding Company and the covered entities have not given any guarantee for loans taken by others from banks or financial institutions.

xi) According to the information and explanations given to us and the records examined by us, the Holding Company and the covered entities have not obtained any term loan during the year.

xii) Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management and the report of the auditor of the covered entities no material fraud on, or by the company, has been noticed or reported during the year.

For KALYANIWALLA & MISTRY

Chartered Accountants
Firm Registration No. 104607W

ROSHNI R. MARFATIA

Partner
M. No.: 106548
Mumbai: June 8, 2015

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

	Notes	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	4	29.23	29.23
Reserves and Surplus	5	1,475.11	1,360.42
		1,504.34	1,389.65
Non-current liabilities			
Deferred tax liabilities (Net)	6	38.97	46.68
Current Liabilities			
Trade payables	7	251.73	285.36
Other current liabilities	8	501.75	580.34
Short term provisions	9	46.87	44.39
		800.35	910.09
Total		2,343.66	2,346.42
II. ASSETS			
Non-current assets			
Goodwill on Consolidation		114.60	119.35
Fixed assets			
Tangible assets	10	320.30	370.64
Intangible assets	11	30.07	35.52
Capital work-in-progress		48.24	16.40
		398.61	422.56
Non-current investments	12	6.82	6.82
Long term loans and advances	13	48.30	49.96
		453.73	479.34
Current assets			
Current investments	14	110.37	109.64
Inventories	15	742.56	851.04
Trade receivables	16	380.22	431.98
Cash and Bank Balances	17	470.22	299.44
Short term loans and advances	18	51.59	36.95
Other current assets	19	20.37	18.68
		1,775.33	1,747.73
Total		2,343.66	2,346.42
Significant Accounting Policies	3		

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

As per our report of even date.

For KALYANIWALLA & MISTRY

Chartered Accountants
Firm Registration No: 104607W

Roshni R Marfatia

Partner
M. No. 106548

Mumbai, June 8, 2015

For and on behalf of the Board

P. Krishnamurthy
Ashok Patel
Tarak Patel
Dr. S. Sivaram
Dr. Amrita Patel
A. N. Mohanty

Chairman
Managing Director
Executive Director
Director
Director
Chief Financial Officer

Mumbai, May 19, 2015

Mittal Mehta

Mumbai, June 8, 2015

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Notes	Year ended 31.03.15 ₹ in Millions	Year ended 31.03.14 ₹ in Millions
REVENUE :			
Revenue from operations	20	3,219.27	2,925.39
Less : Excise duty		142.99	137.53
		3,076.28	2,787.86
Other Income	21	25.88	38.20
Total Revenue		3,102.16	2,826.06
EXPENSES :			
Cost of raw materials consumed	22	1,254.64	1,303.27
(Increase)/Decrease in inventories of finished goods and work-in-progress	23	84.55	(151.78)
Employee benefits expense	24	555.48	518.91
Finance costs	25	5.20	10.55
Depreciation	10 & 11	98.27	88.95
Other expenses	26	822.17	785.31
Total Expenses		2,820.31	2,555.21
Profit before tax		281.85	270.85
Tax expenses :			
Current tax		98.03	87.39
Deferred tax		(4.85)	(7.16)
Profit after tax		188.67	190.62
EARNINGS PER EQUITY SHARE:			
Basic & Diluted		12.91	13.04
Significant Accounting Policies	3		

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

As per our report of even date.

For KALYANIWALLA & MISTRY

Chartered Accountants
Firm Registration No: 104607W

Roshni R Marfatia

Partner
M. No. 106548

Mumbai, June 8, 2015

For and on behalf of the Board

P. Krishnamurthy
Ashok Patel
Tarak Patel
Dr. S. Sivaram
Dr. Amrita Patel
A. N. Mohanty

Chairman
Managing Director
Executive Director
Director
Director
Chief Financial Officer

Mumbai, May 19, 2015

Mittal Mehta

Company Secretary

Mumbai, June 8, 2015

STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2015

	Year ended 31.03.15 ₹ in Millions	Year ended 31.03.14 ₹ in Millions
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	281.85	270.85
Adjustments for		
Depreciation	98.27	88.95
Net (gain) / loss on sale & discard of fixed assets	(2.21)	(1.80)
Net (gain) / loss on sale of Current Investment	-	(6.45)
Interest income	(17.89)	(11.39)
Interest and financial charges	5.20	10.55
Dividend Income	(1.93)	(0.75)
Provision for doubtful debts, liquidated damages and advances	(14.49)	3.83
Provision for diminution in value of current investments	(0.71)	0.57
Unrealised foreign exchange fluctuation loss / (gain)	1.15	1.30
Operating profit before working capital changes	349.24	355.66
Adjustments for :		
Increase / (Decrease) in Inventories	108.49	(212.98)
(Increase) / Decrease in Trade receivable, Short term loan & advances and other assets	61.36	(165.35)
Increase/ (Decrease) in Trade payables, other current liabilities & Provisions	(105.70)	168.58
Cash generated from operations	413.39	145.91
Direct Taxes paid	(112.01)	(81.65)
Net cash from operating activities	301.38	64.26
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets	(77.74)	(50.62)
Proceeds from sale of fixed assets	3.51	2.93
Purchase of current investments	-	(84.39)
Proceeds from sale of current investments	-	84.08
Proceeds from sale of non-current investments	-	6.06
Fixed deposits maturity proceeds from banks (net)	28.25	11.62
Fixed deposits placed with banks (net)	(121.32)	-
Interest received	16.34	9.42
Dividend received	1.93	0.62
Net cash used in investing activities	(149.03)	(20.28)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(5.20)	(10.55)
Dividend paid	(43.73)	(50.70)
Tax on distributed profits	(8.97)	(6.96)
Net cash used in financing activities	(57.90)	(68.21)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	94.45	(24.23)
Cash and Cash equivalents, beginning of the year	271.19	251.04
Effect of Exchange Rate Changes [(Gain) / Loss]	(16.74)	44.38
Cash and Cash equivalents, end of the year	348.90	271.19
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalent		
Balances with banks		
- In current accounts	205.65	182.26
- In deposit accounts (Less than three months maturity)	139.42	85.16
Cash on hand	1.64	1.70
Other Bank Balances		
- In unpaid dividend accounts	2.19	2.07
Total	348.90	271.19
Deposit accounts with maturity greater than three month but less than one year	121.32	28.25
Cash and bank balances at the end of the year	470.22	299.44
The company has been sanctioned credit facilities for working capital of Rs.200 million, of which facilities utilised as on March 31, 2015 were ₹ Nil		

As per our report of even date.

For KALYANIWALLA & MISTRY

Chartered Accountants

Firm Registration No: 104607W

Roshni R Marfatia

Partner

M. No. 106548

Mumbai, June 8, 2015

For and on behalf of the Board

P. Krishnamurthy

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Chairman

Managing Director

Executive Director

Director

Director

Chief Financial Officer

Mumbai, May 19, 2015

Mittal Mehta

Mumbai, June 8, 2015

Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1. BASIS OF CONSOLIDATION:

The consolidated financial statements relate to GMM Pfaudler Ltd., the holding company and its wholly owned subsidiaries (collectively referred to as Group). The consolidation of the accounts of the holding company with the subsidiaries is prepared in accordance with Accounting Standard (AS) 21 – 'Consolidated Financial Statements'. The financial statements of the parent company and its subsidiaries are combined on line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealized profits or losses are fully eliminated.

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All the assets and liabilities are converted at the rates prevailing at the end of the year. Exchange gain / losses arising on conversion are recognized under Foreign Currency Translation Reserve.

The subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of Company	Country of Incorporation	% of Holding	
			Current Year	Previous Year
1	Karamsad Investments Ltd.	India	100%	100%
2	Karamsad Holdings Ltd.	India	100%	100%
3	GMM Mavag AG	Switzerland	100%	100%
4	Mavag AG (subsidiary of GMM Mavag AG)	Switzerland	100%	100%

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Holding Company i.e. year ended March 31, 2015.

2. Basis of preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India. The Company has prepared these financial statements under the historical cost convention on an accrual basis to comply in all material respects with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and the relevant provisions of the Companies Act 2013. The accounting policies have been consistently applied by the Company.

All the assets and liabilities have been classified as current and non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of service rendered and the time between the rendering of the services and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as twelve month for the purpose of current and non current classification of assets and liabilities.

3. Significant Accounting Policies

a) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expense during the period. Management believes that the estimates used in preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

b) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes all expenses related to the acquisition and installation of fixed assets.

Depreciation is provided on a Straight line basis so as to write off the cost to the period of use, on the basis of useful life of asset defined in Schedule II to the Companies Act, 2013 except in the following assets which have a lower useful life that of schedule II.

Name Of Assets	Useful life
A) Burning Scaffold and Pilot Plant (<i>included under Plant & Machinery</i>)	3 years
B) Telephones (<i>included under Office Equipment</i>)	3 years
C) Vehicles	6 years
D) Computer Software	3-6 years
E) Technical Knowhow	3 years

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

Leasehold land and lease improvements are amortized equally over the period of lease.

c) Asset Impairment

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

d) Investments

Investments that are readily available and intended to be held for not more than one year from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Non current investments including strategic investments are carried at cost. Provision for diminution, if any, in the value of each long- term investment is made to recognize a decline, other than of a temporary nature.

Current investments are stated at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

e) Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined on the weighted average method and is net of CENVAT credits. Cost of work-in-progress and finished goods include conversion cost and appropriate production overheads. Excise duty is provided on finished goods held in stock at the end of the year.

f) Foreign Exchange Transactions

Transactions in foreign currency are recorded at rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency and remaining outstanding are translated at the period end exchange rates and the resultant exchange gains / losses are recognized in the Statement of Profit and Loss. Non monetary foreign currency items are carried at cost and expressed in Indian currency at the rate of exchange prevailing at the time of transactions.

g) Revenue Recognition

Sales of products and services are recognized on dispatch/delivery of the goods or when services are rendered, except large contracts, exceeding the Rupee equivalent of USD 1 million at the time of order receipt and the contract term of at least six months from contract signing through product delivery, which are recognized on percentage of completion basis. Sales are recorded net of trade discounts, sales tax and excise duties.

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

Interest income is recognized on the time proportion method.

h) Product Warranty Expenses

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

i) Employee Benefits

Employee benefits in the form of provident fund, family pension fund and superannuation scheme which are defined contribution schemes are charged to the statement of Profit and Loss of the year when the contributions accrue.

The liability for Gratuity, a defined benefit scheme and provision for Leave Encashment is accrued and provided for in the accounts on the basis of actuarial valuation as at the year end.

j) Operating Expenses

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

k) Leases

Lease arrangements where the risks & rewards incident to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Operating lease expenses are recognized in the statement of Profit and Loss on straight line basis over the lease term.

l) Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate of the amount of the obligation can be made. Provisions are not discounted to its present value and are determined based on current best estimate.

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

m) Taxation

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

Deferred tax is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the Company intends to settle the asset and liability on a net basis. The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

n) Segment reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, debtors and inventories. Segment liabilities include the operating liabilities that result from operating activities of the business segment. Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

o) Earnings Per Share

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

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

p) Cash & Cash Equivalents

Cash & Cash Equivalents comprises of cash at bank and in hand and deposits with banks with an original maturity of three months or less.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
4. SHARE CAPITAL		
Authorised Shares 25,000,000 (PY 25,000,000) Equity shares of ₹ 2/- each	50.00	50.00
Issued, Subscribed and Paid-up Shares 14,617,500 (PY 14,617,500) Equity shares of ₹ 2/- each fully paid up	29.23	29.23
TOTAL	29.23	29.23
a) Reconciliation of equity shares outstanding at the beginning and end of the reporting year		
Equity Shares:	As at 31.03.15	As at 31.03.14
	Number of Shares ₹ In Millions	Number of Shares ₹ in Millions
At the Beginning of the year	1,46,17,500 29.23	1,46,17,500 29.23
Issued during the year	- -	- -
Outstanding as at the end of the year	1,46,17,500 29.23	1,46,17,500 29.23
b) Terms/rights attached to equity shares		
The Company has only one class of equity shares having a par value ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
c) Details of shareholders holding more than 5% shares in the Company	As at 31.03.15	As at 31.03.14
	Number of Shares % holding	Number of Shares % holding
Pfaudler Inc (Holding Company)	7,372,475 50.44%	7,614,947 52.09%
Millars Machinery Company Private Limited	1,625,595 11.12%	1,625,595 11.12%
d) Buyback of Shares, Bonus Shares and Shares issued for Consideration other than cash.		
The Company has not bought back any shares, neither has it issued bonus shares nor has it issued shares for consideration other than cash in the past five years.		
e) Terms of any Securities convertible into equity/preference shares - Not Applicable.		
f) Calls Unpaid - Nil		
5. RESERVES AND SURPLUS		
Capital Reserve		
Balance as per last Balance Sheet	0.02	0.02
Cash Subsidy Reserve		
Balance as per last Balance Sheet	0.69	0.69
Share Premium Account		
Balance as per last Balance Sheet	149.28	149.28
Foreign Exchange Translation Reserve Account		
Balance as per last Balance Sheet	150.88	93.28
Add : Foreign Exchange Translation Reserve	(17.30)	57.60
	133.58	150.88
General Reserve:		
Balance as per last Balance Sheet	212.79	197.56
Add: Transfer from Statement of Profit and Loss	17.20	15.23
	229.99	212.79
Surplus in Statement of Profit and loss		
Balance as per last Balance Sheet	846.77	722.75
Add: Net Profit for the year	188.67	190.62
Add: Transfer from Inventory reserve	1.30	-
Less : Depreciation on assets whose remaining useful life is nil, recognised in retained earnings (Net of deferred tax)	4.72	-
Less : Appropriations		
Interim Dividend	30.70	30.69
Final Dividend	13.16	13.16
Tax on distributed profits	9.42	7.53
Transfer to General Reserve	17.20	15.23
	961.55	846.77
	1,475.11	1,360.42

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
6. DEFERRED TAX LIABILITY		
Deferred Tax Liabilities		
Depreciation on Fixed Assets	38.30	51.29
Warranty Provision	12.03	10.74
	50.33	62.03
Deferred Tax Assets		
Technical Know-how Fees	0.00	0.05
Provision for Doubtful Debts / Advances	11.36	15.06
Provision for Diminution in Value of Investments	0.00	0.24
	11.36	15.35
Net Deferred Tax Liabilities	38.97	46.68
7. TRADE PAYABLES		
- Dues to Micro, Small and Medium Enterprises (Refer Note 27)	4.25	0.63
- Dues to others	247.48	284.73
	251.73	285.36
8. OTHER CURRENT LIABILITIES		
Advances from customers	356.01	427.90
Unclaimed dividend	2.19	2.07
Accrued expenses	105.54	123.24
Employee benefits payable	30.86	21.54
Statutory dues payable	7.15	5.59
	501.75	580.34
The amount of Unclaimed Dividend reflects the position as at March 31, 2015. During the year, the company has transferred an amount of ₹ 0.24 Millions. Previous year ₹ 0.21 Millions to the Education and Protection Fund in accordance with the provisions of Section 205C of the Companies Act, 1956.		
9. SHORT TERM PROVISIONS		
Provision for employee benefits - gratuity	14.04	7.52
Provision for unexpired warranty	16.98	15.72
Provision for Income Tax (Net of advance payment of taxes ₹ 263.38 Million)	0.00	5.76
Provision for final dividend	13.17	13.16
Provision for tax on distributed profits	2.68	2.23
	46.87	44.39

₹ in Millions

11. INTANGIBLE ASSETS

Notes:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

12. NON CURRENT INVESTMENTS (FULLY PAID) (VALUED AT COST UNLESS STATED OTHERWISE)

₹ in Millions

	Face value	Number As At 31.03.15	Cost As At 31.03.15	Number As At 31.03.14	Cost As At 31.03.14
Trade Investments-Fully Paid (Valued at Cost)					
Shares in Co-operative Societies (unquoted)					
Karamsad Urban Co-op. Bank Ltd.	10	1,200	0.01	1,200	0.01
Charotar Gas Sahakari Mandli Ltd.	500	10	0.01	10	0.01
			0.02		0.02
Other Investments- Fully Paid (Valued at Cost)					
Equity Shares (quoted)					
Abbott India Ltd.	10	100	0.01	100	0.01
BASF India Ltd.	10	276	0.01	276	0.01
Bayer Cropscience Ltd.	10	50	0.00	50	0.00
Clarint Chemical India	10	50	0.00	50	0.00
Dharamshi Morarji Chemicals Co. Ltd.	10	100	0.00	100	0.00
Excel Crop Care Ltd.	5	112	0.00	112	0.00
Excel Industries Ltd.	5	112	0.01	112	0.01
Futura Polyester Ltd.	10	100	0.00	100	0.00
Glaxo Smithkline Pharmaceuticals Ltd.	10	122	0.01	122	0.01
GHCL Ltd.	10	100	0.00	100	0.00
Hico Products Ltd.	10	625	0.01	625	0.01
IDI Ltd.	10	66	0.00	66	0.00
Innovssynth Investments Ltd.	10	45	0.00	45	0.00
Kansai Nerolac Paints Ltd.	1	6,660	0.01	666	0.01
Nestle India Ltd.	10	93	0.01	93	0.01
Novartis (India) Ltd.	5	70	0.01	70	0.01
Piramal Enterprise Ltd.	2	399	0.00	399	0.00
Piramal Phytocare Ltd. (formerly Piramal Life Sciences Ltd.)	10	39	0.00	39	0.00
Piramal Glass Ltd.	10	19	0.00	19	0.00
Peninsula Land Ltd.	2	1,040	0.00	1,040	0.00
Pfizer Ltd.	10	170	0.01	135	0.01
Skyline Millars Ltd.	1	1,406,000	1.93	1,406,000	1.93
Shubh Shanti Services Ltd.	10	25	0.00	25	0.00
SI Group - India Ltd.	10	50	0.01	50	0.01
Tata Chemicals Ltd.	10	161	0.01	161	0.01
United Phosphorus Ltd.	2	7,500	0.41	7,500	0.41
Wyeth Ltd.	10	0.00	0.00	50	0.00
			2.45		2.45
Government Securities (quoted)					
Indian Railway Finance Corp. Bonds	1000	4,350	4.35	4,350	4.35
			4.35		4.35
Total Investments			6.82		6.82
Aggregate amount of quoted investment			6.80		6.80
Market Value of quoted investment			16.88		12.79
Aggregate amount of unquoted investment			0.02		0.02

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
13. LONG TERM LOANS AND ADVANCES		
(Unsecured)		
Capital Advances	0.65	2.13
Balances with indirect tax authorities	3.33	3.03
Security Deposits (including ₹ 0.17 Million consider doubtful) [Refer Note : 27]	44.49	44.97
Less : Provision for doubtful security deposits	0.17	0.17
	<u>44.32</u>	<u>44.80</u>
	<u>48.30</u>	<u>49.96</u>

	Face value Rupees	Number As At 31.03.15 ₹ in Millions	Cost As At 31.03.15 ₹ in Millions	Number As At 31.03.14 ₹ in Millions	Cost As At 31.03.14 ₹ in Millions
14. CURRENT INVESTMENT					
In Units of Mutual funds, Unquoted (Valued at lower of cost and fair value)					
HDFC Cash Management Fund - Treasury Advantage Plan					
- Retail - Weekly Dividend	10	36,246	0.36	34,271	0.34
IDFC SSIF Medium Term Plan A Growth	10	1,379,698	27.00	1,379,698	27.00
Reliance Dynamic Bond Fund Growth	10	632,586	10.31	632,586	10.31
Birla Sun Life Govt. Securities long term growth	10	606,632	21.87	606,632	21.87
Reliance Short Term Fund Growth	10	1,387,389	31.16	1,387,389	31.16
HDFC High Interest Fund Dynamie plan-Growth	10	283,306	11.57	283,306	11.57
ICICI Prud.In.Regular Plan Growth	10	210,936	8.10	210,936	8.10
			<u>110.37</u>		<u>110.35</u>
Provision for diminution in value of Investments			-		(0.71)
			<u>110.37</u>		<u>109.64</u>
					-
Aggregate amount of unquoted investments			110.37		110.35
Aggregate provision for diminution in investments			-		(0.71)

(Valued at lower of cost or Net realisable value)	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
15. INVENTORIES		
Raw materials	224.00	279.92
Work-in-progress	447.29	489.96
Finished goods (Including in transit ₹ 8.40 Million Previous year ₹ 3.14 Million)	51.43	59.37
Stores and spares	19.84	21.79
	<u>742.56</u>	<u>851.04</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
16. TRADE RECEIVABLES (Unsecured)		
Outstanding for a period over six months		
Considered good	26.06	89.44
Considered doubtful	35.22	41.01
	61.28	130.45
Other debts		
Considered good	354.15	342.56
Considered doubtful	8.50	15.91
	362.65	358.47
Less : Provision for doubtful debts	43.71	56.94
	380.22	431.98
17. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with banks		
- In current accounts	205.65	182.26
- In deposit accounts with maturity less than three months	139.42	85.16
Cash and stamps on hand	1.64	1.70
Other Bank Balances		
- In deposit accounts with maturity greater than three months but less than twelve month	121.32	28.25
- In Unpaid dividend accounts- Earmarked balances	2.19	2.07
	470.22	299.44
18. SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Considered Good :		
Loans and advances to related parties (Refer Note: 32)	7.22	1.43
Loans and advances to employees	2.66	3.18
Other Loans and advances	1.65	3.97
Balance with central excise authorities	14.33	16.06
Prepaid expenses	11.13	6.91
Advance payment to suppliers	6.37	5.40
Advance payment of income taxes	8.23	-
(Net of provision for taxation ₹ 114.13 Million)	51.59	36.95
Considered Doubtful :		
Other Loans and advances	0.52	1.78
Less: Provision for Doubtful Advances	0.52	1.78
	-	-
	51.59	36.95
19. OTHER CURRENT ASSETS		
Interest accrued on deposits with banks	2.60	1.05
Miscellaneous income receivable	-	1.56
Accrued income	17.77	16.07
	20.37	18.68

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended 31.03.15 ₹ in Millions	Year ended 31.03.14 ₹ in Millions
20. REVENUE FROM OPERATIONS		
Revenue from Sale of Products	3,185.71	2,887.06
Other Operating Revenues	33.56	38.33
	3,219.27	2,925.39
Less: Excise Duty	142.99	137.53
	3,076.28	2,787.86
21. OTHER INCOME		
Interest Income (Gross)		
- Non - current investments	1.11	9.72
- Deposits with banks	15.14	1.67
- Others	1.63	-
Dividend Income		
- Non - current investments	1.84	-
- Current Investments	0.09	0.75
Net Gain / (Loss) on Sale of Investments		
- Non-Current Investments	-	-
- Current Investments	-	6.45
Other non-operating income		
- Bad Debts Recovered	0.52	0.15
- Profit on sales of fixed assets	2.21	0.07
- Miscellaneous Income	3.34	7.98
Net gain on foreign exchange translations	-	11.41
	25.88	38.20
22. COST OF RAW MATERIALS CONSUMED		
Opening Stock of Raw Materials	290.89	234.60
Add: Purchases during the year	1,207.84	1,359.56
	1,498.73	1,594.16
Less: Closing stock of Raw Materials	244.09	290.89
Total	1,254.64	1,303.27
23. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Inventory of finished good at the beginning of the year	59.37	26.67
Inventory of finished good at the closing of the year	51.43	59.37
	7.94	(32.70)
Inventory of work in progress at the beginning of the year	489.96	370.88
Inventory of work in progress at the closing of the year	413.35	489.96
	76.61	(119.08)
24. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	472.55	443.64
Contribution to Provident and Other Funds	70.46	64.72
Staff Welfare Expenses	12.47	10.55
	555.48	518.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended 31.03.15 ₹ in Millions	Year ended 31.03.14 ₹ in Millions
25. FINANCE COSTS		
Interest on bank overdraft	0.31	1.07
Other financial charges	4.89	9.48
	5.20	10.55
26. OTHER EXPENSES		
Labour Charges Paid to Subcontractors	244.99	242.57
Power & Fuel	168.09	158.34
Consumption of Stores & Spares	89.46	87.62
Repairs to Machinery	33.42	36.37
Repairs to Buildings	4.80	3.99
Repairs - Others	4.52	2.04
Rent	39.32	24.68
Insurance	7.37	6.46
Rates & Taxes	4.54	5.25
Royalty	5.53	11.54
Travel & Conveyance	45.72	42.83
Communication	8.14	7.68
Bad debts written off	6.35	6.00
Provision for doubtful debts and advances	(12.31)	9.39
Provision for Warranty expenses	2.69	7.64
Advertisement and sales promotion	9.17	2.71
Commission	5.06	10.54
Legal and professional fees	19.55	15.60
Freight outward	44.61	36.18
Provision for diminution in value of Investment	(0.71)	0.57
Payments to Auditors	8.34	6.68
Expense on CSR activities	2.03	-
Foreign exchange Loss	19.65	-
Miscellaneous Expenses	61.84	60.63
	822.17	785.31
27. LONG TERM LOANS AND ADVANCES		
Security Deposits include ₹ 30.70 million (previous year ₹ 30.70 million) of security deposits paid to Ready Mix Concrete Limited (a entity in which Key Managerial Person have significant influence) for use of three additional factory sheds taken under lease by the Company from November 01, 2012.		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

28. OPERATING LEASE

The Company's significant leasing arrangements are in respect of operating leases for factory shed/premises and guest house. These lease agreements range up to 60 months from the end of the current financial year and are usually renewable by mutual consent on mutually agreeable terms.

The total future minimum lease payments under operating lease are as under:

	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
(i) Total Minimum lease payments		
Payable within one year	46.92	30.16
Payable later than one year and not later than five year	79.04	26.71
Payable after five years	-	-
(ii) Lease payment recognised in Statement of Profit and Loss for the year	39.52	24.68

29. CONTINGENT LIABILITIES AND COMMITMENTS

	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
1) Contingent Liabilities		
a) Claim against the Company not acknowledged as debts		
i) Dispute relating to Excise, Service tax and Sales tax	12.99	8.70
ii) Matter decided in favour of the company where the income tax department has preferred appeals.	5.84	-
iii) Disputed demands relating to tax against which the Company has preferred appeals.	65.72	24.07
b) Guarantee issued by bank	206.14	241.98
2) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	8.28	7.99

30. EMPLOYEE BENEFITS

The amounts recognised in the Company's financial statements as at the year end are as under:
Gratuity:

	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
a. Assumptions :		
Discount Rate	8.05%	9.39%
Rate of Return on Plan Assets	8.05%	8.70%
Salary Escalation	7.0%	7.0%
Mortality	Indian Assured Lives Mortality 2006-08 Ultimate Table	Indian Assured Lives Mortality 2006-08 Ultimate Table
b. Table showing changes in Benefit Obligation:		
Liability at the beginning of the year	59.10	51.72
Interest cost	5.55	4.27
Current service cost	3.00	2.13
Benefit paid	(15.53)	(4.37)
Actuarial (gain)/loss on obligations	9.48	5.35
Liability at the end of the year	61.60	59.10

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.15 ₹ in Millions	As at 31.03.14 ₹ in Millions
c. Change in Plan Assets:		
Fair value of Plan Assets at the beginning of the year	51.57	46.22
Expected Return on Plan Assets	4.49	4.02
Contributions	7.51	5.50
Benefit Paid	(15.53)	(4.37)
Actuarial gain / (loss) on Plan Assets	(0.49)	0.20
Fair value of Plan Assets at the end of the year	47.56	51.57
Total Actuarial Gain / (Loss) to be recognised	9.97	5.15
d. Actual Return on Plan Assets:		
Expected Return on Plan Assets	4.49	4.02
Actuarial gain / (loss) on Plan Assets	(0.49)	0.20
Actual Return on Plan Assets	4.00	4.22
e. Amount Recognised in the Balance Sheet:		
Liability at the end of the year	61.60	59.10
Fair value of Plan Assets at the end of the year	47.56	51.57
Net (Liability) / Asset Recognized in the Balance Sheet	(14.04)	(7.53)
f. Expenses Recognised in the Income Statement:		
Current Service cost	3.00	2.13
Interest Cost	5.55	4.27
Expected return on Plan Assets	(4.49)	(4.02)
Net Actuarial (gain) / loss to be recognised	9.97	5.15
Expense Recognised in Profit & Loss	14.04	7.53
g. Balance Sheet Reconciliation:		
Opening Net Liability	7.52	5.50
Expenses as above	14.03	7.52
Employers Contribution	(7.51)	(5.50)
Amount Recognised in Balance Sheet	14.04	7.52
h. Other Details:		
Gratuity is payable at the rate of 15 days salary for each year of service. Salary escalation is considered as advised by the Company which is in line with the industry practice considering promotion and demand and supply of the employees.		
i. Category of Assets:		
Insurer Managed Funds	47.56	51.57

31. EARNING PER SHARE	Year ended 31-03-15	Year ended 31-03-14
a) Net profit for the year available to equity shareholders after Tax in ₹ Millions'	188.67	190.62
b) Weighted average number of Equity Shares during the year	14,617,500	14,617,500
c) Face value of Equity Share in ₹	2	2
d) Basic and diluted earnings per share (₹)	12.91	13.04

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

32. RELATED PARTY DISCLOSURES

(I) List of Related parties

(a) Parties where control exists:

- | | |
|------------------------------|---|
| (i) Ultimate Holding Company | : National Oilwell Varco Inc.(Up to December 30, 2014)
Pfaudler S.a r.l. Luxembourg (From December 31, 2014) |
| (ii) Holding Company | : Pfaudler Inc. |

(b) Fellow Subsidiaries

- | |
|--|
| : Pfaudler Werke GMBH |
| Pfaudler Balfour Ltd. |
| Edlon PSI Inc. |
| Suzhou Pfaudler Glass Lined Equipment Co. Ltd. |
| Glass Steel Parts and Services |
| Tycon Technoglass |
| Pfaudler Rochester, USA |
| National Oilwell Varco LLP (Formerly Chemineer Inc.) |
| Robbins & Myers DE Mexico, SA.DECV |
| Robbins & Myers Inc.(From 21st February 2013) |

(c) Key management personnel

- | |
|---|
| : Mr. Ashok Patel – Managing Director |
| Mr. Tarak Patel – Executive Director |
| Mr. Ashok Pillai – Chief Operating Officer |
| Mr. Amar Nath Mohanty - Chief Financial Officer |
| Ms. Mittal Mehta - Company Secretary |

(d) Relative of Key management personnel

- | |
|---|
| : Mrs. Urmi Patel (wife of Mr. Ashok Patel) |
| Mrs. Uttara Gelhaus (Daughter of Mr. Ashok Patel) |
| Mr. Gregory Gelhaus (Son-in-law of Mr. Ashok Patel) |

(e) Enterprises over which key managerial personnel have significant influence

- | |
|-------------------------|
| : Skyline Millars Ltd. |
| Ready Mix Concrete Ltd. |
| A. J. Patel - HUF |
| JV Patel & Co. |

32. RELATED PARTY DISCLOSURES (Continued)

(II) Transactions with related parties

₹ in Millions

Transaction	Ultimate Holding Company		Holding Company		Fellow Subsidiaries		Key Management Personnel		Relative of Key Management Personnel		Other Related Parties	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Purchase of goods	-	-	-	-	24.16	31.56	-	-	-	-	-	0.02
Sale of goods	-	-	11.06	-	51.40	39.00	-	-	-	-	-	-
Receiving of services	-	-	-	-	-	-	-	-	10.94	-	18.87	22.15
Providing of services	-	-	-	-	0.96	-	-	-	-	-	-	-
Royalty	-	-	5.53	11.54	-	-	-	-	-	-	-	-
Lease Rent paid	-	-	-	-	-	-	-	-	-	-	24.93	7.76
Remuneration paid	-	-	-	-	-	-	26.80	19.49	-	-	-	-
Dividend paid	-	-	22.67	21.32	-	-	3.61	3.32	0.90	0.84	-	-
Advance given	-	-	-	-	-	-	6.00	-	-	-	-	-
Advance to Subsidiaries received back	-	-	-	-	-	-	-	-	-	-	-	-
Commission received on services provided	-	-	-	-	-	4.37	-	-	-	-	-	-
Commission paid on services received	-	-	-	-	1.27	5.80	-	-	-	-	-	-
Balance outstanding												
Payables	-	-	47.12	42.42	1.01	15.91	1.63	1.63	-	-	2.43	0.89
Receivables	-	-	-	-	4.53	18.78	7.22	-	-	-	-	-
Deposit outstanding	-	-	-	-	-	-	-	-	-	-	30.70	30.70

RELATED PARTY DISCLOSURES (Continued)

32. (III) Significant Related Party Transactions are as under:

Nature of transactions	Name of party	Year ended 31.03.15 ₹ in Millions	Year ended 31.03.14 ₹ in Millions
Purchase of goods	Pfautler Werke GMBH	20.27	26.24
	Tycon Technoglass	2.89	4.98
Sale of goods	Tycon Technoglass	11.83	0.00
	Pfautler Inc.	11.06	0.00
	Pfautler Werke GMBH	35.91	34.32
Receiving Services	Ready Mix Concrete Ltd.	17.87	19.69
	Skyline Millars Ltd.	1.00	2.46
	Mr. Gregory Gelhaus (Son-in-law of Mr. Ashok Patel)	10.94	-
Providing Services	National Oilwell Varco LLP (Formerly Chemineer Inc)	0.96	0.00
Lease rent paid	Ready Mix Concrete Ltd.	23.92	7.76
Royalty	Pfautler Inc.	5.53	11.54
Remuneration paid	Mr. Ashok Patel	11.20	11.20
	Mr. Ashok Pillai	5.98	5.08
	Mr. Tarak Patel	4.19	3.21
	Mr. Amar Nath Mohanty	4.16	3.76
Dividend paid	Pfautler Inc.	22.68	21.32
	Mr. Ashok Patel	3.09	2.82
Commission on Services received	Tycon Technoglass	0.00	5.02
	Suzhou Pfautler	1.27	0.78
Commission on services provided	National Oilwell Varco LLP (Formerly Chemineer Inc)	0.00	4.37
Advance given	Mr. Ashok Pillai	6.00	-
Balances outstanding			
Payables	Pfautler Inc.	47.12	42.42
	Skyline Millars Limited	0.20	0.37
	Ready Mix Concrete Ltd.	2.17	0.52
	Glass Steel & Parts Services	0.19	0.00
	Pfautler Werke GMBH	0.81	12.33
Receivables	Pfautler Werke GMBH	3.98	17.90
	Suzhou Pfautler	-	2.55
	Tycon Technoglass	0.55	(0.22)
Deposit outstanding	Ready Mix Concrete Ltd.	30.70	30.70
Key Managerial Personal			
Receivable	Mr. Amar Nath Mohany	1.22	0.90
Advance given	Mr. Ashok Pillai	6.00	-
Payable	Mr. Ashok Patel	1.63	1.63

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

33. SEGMENT REPORTING

(a) Primary segment reporting by business segment

₹ in Millions

Particulars	Chemical Processing Equipment	Mixing Systems	Filtration/Separation Equipment & Others	Total
Year Ended	31.03.15	31.03.14	31.03.15	31.03.14
Revenue :				
Total External Sales	1,828.05	1,641.04		
Segment Results:				
Profit/(Loss) Before Tax and Interest	267.97	225.31		
Unallocated Expense (Net)	-	-	-	32.20
Less: Interest	-	-	-	10.55
Profit/(Loss) Before Tax	-	-	-	270.85
Taxes	-	-	-	80.23
Net Profit After Tax	-	-	-	190.62
Segment Assets	934.55	1,084.02		
Unallocated Assets	-	-	-	1,852.13
Total Assets	-	-	-	494.29
Segment Liabilities	457.03	506.03		
Unallocated Liabilities	-	-	-	886.86
Total Liabilities	-	-	-	69.91
Capital Expenditure	33.30	15.28		
Unallocated Capital Expenditure	-	-	-	39.57
Depreciation	66.46	57.09		
Unallocated Depreciation	-	-	-	9.00
				86.04
				2.91

(b) Secondary segment reporting by Geographical Segment:

₹ in Millions

Particulars	Within India	Outside India	Total
Year Ended	31.03.15	31.03.14	31.03.15
Revenue	1,898.84	1,574.73	3,076.28

Notes:

- 1) The Business segments have been identified in line with the Accounting Standard 17 on "Segment Reporting", taking into account the nature of product, the nature of manufacturing process, the class of customers, the organization structure and the internal financial reporting system.
- 2) Segment revenue, results, assets and liabilities include amounts that are directly attributable to the respective segments. Amounts not directly attributable have been allocated to the segments on the best judgment of the management in the absence of detailed internal financial reporting system. Expenses not directly allocable to the segments are treated as "Unallocated Expenses".

34. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARIES

Sr. No. Name of the Entity		Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net Assets	Amount (Rs in Million)	As a % of consolidated profit or loss	Amount (Rs in Million)
Parent					
GMM Pfaudler Limited		85.25	1,282.45	91.18	172.03
Subsidiaries					
Indian -					
1	Karamsad Holdings Ltd.	0.33	5.03	0.13	0.25
2	Karamsad Investments Ltd.	0.32	4.76	0.13	0.24
Foreign -					
1	GMM Mavag AG	21.30	320.41	0.67	1.26
2	Mavag AG	21.36	321.26	8.76	16.53
Consolidation Adjustment		(28.56)	(429.57)	(0.87)	(1.64)
Total		100.00	1,504.34	100.00	188.67

35. UN-HEDGED FOREIGN CURRENCY EXPOSURES AS AT THE YEAR END

	As at 31.03.15 in Millions		As at 31.03.14 in Millions	
	Receivable	Payable	Receivable	Payable
US Dollar	0.23	0.01	0.04	0.02
Euro	0.04	0.03	0.27	0.50
CHF	-	0.00	-	0.00
JPY	-	3.21	-	-
AUD	-	-	-	-

36. PREVIOUS YEARS FIGURES HAVE BEEN REGROUPED / RECLASSIFIED WHEREVER NECESSARY.

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