



Annual Report
2012 - 2013

50
years
of Leadership

BOARD OF DIRECTORS

P. KRISHNAMURTHY
Chairman

ASHOK J. PATEL
Managing Director

MICHAEL C. REED
Director (Appointed w.e.f. May 30, 2013)

KEVIN J. BROWN
Director

DR. S. SIVARAM
Director

DARIUS C. SHROFF
Director

TARAK A. PATEL
Executive Director

CHIEF OPERATING OFFICER
ASHOK C. PILLAI

FINANCIAL CONTROLLER
AMAR NATH MOHANTY

COMPANY SECRETARY
MITTAL MEHTA

STATUTORY AUDITORS
KALYANIWALLA & MISTRY,
CHARTERED ACCOUNTANTS, MUMBAI.

INTERNAL AUDITORS
DELOITTE HASKINS & SELLS,
CHARTERED ACCOUNTANTS

SOLICITORS
VIGIL JURIS

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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NOTICE:

NOTICE is hereby given that the Fiftieth Annual General Meeting of GMM Pfaudler Limited will be held on Tuesday, September 17, 2013 at 10 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 Balance Sheet as at March 31, 2013 and Profit & Loss Statement for the year ended on that date 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, 2013 and to declare final dividend for the financial year ended March 31, 2013.
3. To appoint a Director in place of Mr. Darius C. Shroff who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Tarak A. Patel who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT M/s. Kalyaniwalla & Mistry, Chartered Accountants, Mumbai, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on such remuneration as may be fixed by the Board of Directors.”

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Michael C. Reed who was appointed as a Director of the Company with effect from April 24, 2013 in place of Mr. Peter C. Wallace and who, in terms of Section 262 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting and in respect of whom the Company has received Notice along with requisite deposit from a member under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Michael C. Reed for the office of Director, be and is here by appointed as Director of the Company not liable to retire by rotation.”

7. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions contained in Sections 198, 269, 309, 310, 311, 349 and 350 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (as may be re-enacted or modified from time to time), and pursuant to the resolution passed by the Remuneration Committee and the Board of Directors and subject to such other approval(s) consent(s) and permission(s), if any as may be necessary and subject to such conditions as may be imposed by any authority while granting such approval(s), consent(s) and permission(s) and as agreed to by the Board of Directors, consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. Ashok J. Patel as the Managing Director of the Company for a further period of three years with effect from January 1, 2013, on the terms and conditions as to existing remuneration of a maximum of ₹ 12,000,000 (Rupees Twelve Million only) per annum as set out in the draft agreement to be executed between the Company and Mr Ashok J. Patel, placed before this meeting and duly initialed by the Chairman for the purpose of identification, which Agreement is hereby specifically sanctioned, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment, within the above overall limit of ₹ 12,000,000 (Rupees Twelve Million only).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

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

**Mittal Mehta
Company Secretary**

Mumbai, June 3, 2013

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

NOTES:

- i. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, should be duly stamped, completed, signed and received at the registered office of the Company not less than 48 hours before the Meeting.
- ii. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special business under Item Nos. 6 and 7 is annexed hereto and forms a part of this Notice.
- iii. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, September 11, 2013 to Tuesday, September 17, 2013, both days inclusive, for the purpose of payment of final dividend, if declared at the ensuing Annual General Meeting and annual closure as per the requirement of the Listing Agreement with Bombay Stock Exchange Limited.
- iv. Payment of final dividend as recommended by the Board of Directors, if declared at the Meeting will be made on or after September 23, 2013, to the Members whose names appear on the Company's Register of Members on Tuesday, September 17, 2013, and to the Beneficial Owners as per the beneficiary list at the close business hours on Tuesday, September 10, 2013, provided by the National Securities and Depository Limited and Central Depository Services (India) Limited.
- v. As required under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, the details of Directors appointed during the year and proposed to be re - appointed at the ensuing Annual General Meeting are provided in the Corporate Governance Report forming part of the Annual Report.
- vi. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the amounts of dividend remaining unclaimed for a period of seven years are to be transferred to the Investor Education and Protection Fund (IEPF).

The details of dividend declared / paid for the year 2006-07 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
31.07.2006	1st Interim Dividend (2006-07)	₹ 0.60	05.09.2013
13.10.2006	2nd Interim Dividend (2006-07)	₹ 0.60	18.11.2013
30.01.2007	3rd Interim Dividend (2006-07)	₹ 0.60	07.03.2014
24.04.2007	4th Interim Dividend (2006-07)	₹ 0.70	31.05.2014
31.07.2007	1st Interim Dividend (2007-08)	₹ 0.70	05.09.2014

Members, who have not encashed their Dividend Warrants for the above year 2006-07 and onwards are requested to write to the Company / Registrars and Share Transfer Agents for revalidation of the dividend warrants before such unclaimed dividend is transferred to IEPF.

vii. 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.

viii. Listing fees to the Bombay Stock Exchange Limited has been paid up to March 31, 2014.

ix. 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 (attached separately herewith), 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.

x. 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.

xi. 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.

xii. 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.

xiii. Disclosure in terms of Clause 49(IV)(E)(V) of the Listing Agreement with the BSE:

None of Non Executive Directors seeking re-appointment at this Annual General Meeting have any shareholding (own or held by/ for other persons on a beneficial basis), in the Company.

xiv. Information / Clarifications on the Annual Report 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. Green Initiative:

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 Registrars and Share Transfer Agents, Link Intime India Private Limited.

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.

ANNEXURE TO THE NOTICE:**Item No. 6**

Mr. Ashok J. Patel is the Managing Director of the Company since 1988. His current term has expired on December 31, 2012. Considering Mr. Ashok J. Patel's wide experience and significant contributions made by him to the Company, the Board of Directors at its meeting held on November 5, 2012 after considering the recommendations of the Remuneration Committee of the Directors, have proposed to re-appoint Mr. Ashok J. Patel as the Managing Director of the Company for a further period of three years with effect from January 1, 2013 at the existing remuneration of a maximum of ₹ 12,000,000 (Rupees Twelve Million only) per annum as approved by the members at the Annual General Meeting held on September 29, 2010 and by the Central Govt. vide letter SRN No. A80544950/1/2010 – CL – VII dated 21.01.2011 and other terms and conditions as under:

1. **Salary:** ₹ 6,65,640/- (Rupees Six Lacs Sixty Five Thousand Six Hundred Forty only) per month
2. **Perquisites:** In addition to the above salary, Mr. Ashok Patel shall be entitled to the following perquisites restricted to an amount equal to annual salary. Perquisites are classified into three categories, Part 'A', 'B' and 'C' as under:

PART 'A':

1. Medical expenses incurred for self and family subject to a ceiling of ₹ 100,000/- (Rupees One Lac only) per year or ₹ 300,000/- (Rupees Three Lacs only) over a period of three years.
2. Leave Travel allowance incurred for self and family subject to a ceiling of ₹ 1,00,000/- (Rupees One Lac only) per year or ₹ 3,00,000/- (Rupees Three Lacs only) over a period of three years.
3. Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
4. Premium on Personal Accident Insurance Policy.
Explanation: For the purpose of Part 'A', family means the spouse and the dependent children.

PART 'B':

1. Contribution to the Provident Fund and Superannuation Fund or Annuity Fund in accordance with the practice rules and regulations in force from time to time 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. Gratuity payable should not exceed half a month's salary for each completed year of service.
2. Leave with full pay and allowance as per the rules of the Company but not exceeding one month's leave for every eleven months of service. Unavailed Leave may be encashed. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

PART 'C':

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

In addition to salary and perquisites or in lieu thereof, the Managing Director, Mr. Ashok Patel shall also be entitled to the maximum commission based on the net profits of the Company in a particular year to the extent of ₹ 25,00,000/- (Rupees Twenty Five Lacs only) so as to be within the overall limit of ₹ 12,000,000/- (Rupees Twelve Million only). The aforesaid remuneration payable to Mr. Ashok J. Patel together with the remuneration payable to the Executive Director is subject to the overall limit of 10% of the profits of the Company, and permission from the Central Government if necessary in accordance with Section 198 and Section 309 of the Companies Act, 1956.

The aforesaid remuneration may be revised by the Board of Directors as per the change to Schedule XIII of the Companies Act, 1956 that may be made by the Government of India from time to time. Subject to the overall limits as aforesaid the Board of Directors may vary the remuneration payable to Mr. Ashok Patel under variable heads as may be acceptable to him.

The other main terms and conditions of re-appointment of Mr. Ashok J. 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 Company shall reimburse to the Managing Director entertainment and other expenses actually and properly incurred by him for the business of the Company.
- (iii) 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 318, 319 and 320 of the Companies Act, 1956 or any other provisions of the law for the time being in force.
- (iv) 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 302 of the Companies Act, 1956.

None of the directors other than Mr. Tarak Patel being the son of Mr. Ashok Patel, may be deemed to be concerned or interested in this resolution.

The information required under Clause IV of Provision to Paragraph 1(B) of Section II in Part II of Schedule XIII of the Companies Act, 1956 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 the 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. Ashok Patel, a Director of the Company since 1972, was appointed Managing Director of the Company in 1988. During Mr. Patel's tenure, the Company progressed satisfactorily as can be seen from the financial indicators given below:

(₹ in Millions)

Year ended March 31	2013	2008	2003	1998	1992	1987
Income from operations	1,675.01	1,420.06	521.80	366.86	212.86	104.52
Profit After Tax	96.66	155.58	23.73	30.80	25.93	9.37
Fixed Assets	421.79	298.04	204.14	197.56	50.89	42.07
Share Capital	29.23	29.23	29.23	15.92	15.92	6.37
Reserves	1046.79	773.14	422.39	247.31	78.00	25.61
Dividend %	140	140	50	115	65	20

EXPORT AND NET FOREIGN EXCHANGE EARNINGS

The Company primarily exports glasslined equipment and parts. Company's exports have grown steadily and our Company is a net foreign exchange earner as shown below:

(₹ in Millions)

Year ended March 31	2013	2012	2011	2010	2009
Export	102.56	154.38	34.32	60.74	122.98
Net Foreign Exchange Earned	113.89	152.17	31.87	60.46	116.27

FOREIGN INVESTMENTS OR COLLABORATIONS

The Company has entered into a foreign collaboration with Pfaudler Inc. USA since year 1987. The foreign promoter holds 51% shareholding in the Company as on March 31, 2013. The Company's ultimate holding Company Robbins & Myers Inc, USA, merged with National Oilwell Varco Inc.(NOV) USA on February 20, 2013. By virtue of this merger NOV has become the ultimate holding Company from February 21, 2013.

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. Ashok J. Patel, age 68, has a degree in Mechanical Engineering from the University of Manchester Institute of Science and Technology, Manchester, UK (1968) and Masters in Business Administration degree from Columbia University, New York, USA (1970). He has over 43 years experience in the capital goods Industry.

In 1972, Ashok Patel was appointed as a Director of Gujarat Machinery Manufacturers Ltd., pioneer in glasslined equipment. In 1987, Mr. Ashok Patel finalized and signed an Investment and Technical License Agreement with Pfaudler Inc., USA, the world leader in glasslined equipment, and became the Managing Director of what is today known as GMM Pfaudler Limited.

In Ashok Patel's 25 years tenure as Managing Director of GMM Pfaudler Limited, the Company has shown significant progress:

- Sales have grown from ₹ 104 millions in 1987 to ₹ 1,675 millions in 2013.
- Net profit increased from ₹ 93 millions in 1987 to ₹ 96 millions in 2013.
- Production of glasslined vessels has increased from 100 vessels per year to 1,000 vessels in a year.
- In 2008, the Company acquired Mavag AG, Switzerland, a well established supplier of highly engineered equipment to the European pharmaceutical industry.
- The Company today has an expanded portfolio of products which includes mixing, drying and filtration incorporating State-of-the-Art technologies.
- From Nil export in 1987, the Company exports today to the USA, UK, Germany, Switzerland, Croatia, Israel, South Africa, Singapore, China and Japan in 2012 exceeded ₹ 150 millions.

The Company has consistently paid dividend from 1975 to date. Mr. Patel's international background has helped the Company establish itself as a reliable supplier of highly engineered goods to the pharmaceutical and chemical industries in countries such as USA, Europe, Middle East, China, Japan, Singapore and South Africa.

Mr. Patel's effort to make the Company a truly global company was the acquisition of Mavag AG in Switzerland in January 2008. Mr. Ashok Patel has successfully integrated Mavag and GMM. His efforts at Mavag AG in managing its operations, making it to expand its business, transfer Swiss technology to the Company and develop it to be a reliable supplier to Mavag, have been successful.

Mr. Ashok Patel has taken keen interest in educational and community development activities in Gujarat where the Company is located. He is the President of Sardar Patel Trust, a Member of the Governing Body of Charutar Arogya Mandal, a Member of Vithal Udyognagar Industries Association, a Director of Foundation for Films on India's War of Independence and Trustee of Bombay International School Association and a few other charitable institution.

Mr. Ashok Patel serves as a Director on the Board of Skyline Millars Ltd., Ready Mix Concrete Ltd., Karamsad Holdings Ltd. and Karamsad Investments Ltd.

REMUNERATION

In view of his dual responsibility of Managing both GMM and Mavag AG, Switzerland and that Mr. Ashok J. Patel does not draw any remuneration from Mavag AG, considering the challenges that lie ahead for the growth of the Company and keeping in mind the current trends, the Remuneration Committee and the Board of Directors have approved that the Managing Director be paid an increased remuneration of ₹ 11.20 million for the year ended March 31, 2013 by way of Salary Perquisites and Retiral benefits and Commission subject to the approval of the Central Government, if applicable, within the overall maximum limit of ₹ 12 million.

Mr. Patel's remuneration is matching his capabilities and is comparable with remuneration norms in the industry having regard to the size and products of the Company.

JOB PROFILE AND SUITABILITY

Mr. Ashok 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 in the chemical processing industry, he is best suited for the responsibilities assigned to him by the Board of Directors.

PECUNIARY RELATIONSHIP DIRECTLY OR INDIRECTLY WITH THE COMPANY

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

III. OTHER INFORMATION

For the year ended March 31, 2013, the Company reported a net profit of ₹ 96.66 million.

Demand for Company's product and services continue to be strong. The Company continues to have a healthy backlog of orders. This strong position is the result of several initiatives taken by the Company 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 unit.
- 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 more 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 in like dryers, Funda filters etc.
- Focus on export market in view of better opportunities and 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 processes efficiency and reduced pollution.

Expected increase in productivity and profits in measurable terms:

With these initiatives coupled with the benefit from technology transfer and synergic benefits of subsidiary Company, Mavag AG, the Company is expected to achieve the sales growth of 15% and rise in profit by about 12% for coming 3 years on year to year basis.

By Order of the Board of Directors
For GMM Pfaudler Limited

Mittal Mehta
Company Secretary

Mumbai, June 3, 2013

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 Fiftieth Annual Report and the Audited Statement of Accounts of the Company for the year ended March 31, 2013.

FINANCIAL RESULTS:

(₹ in Million)

	Year ended 31.03.13	Year ended 31.03.12
Sales and Other Operating Income	1,675.01	2,018.13
Profit before tax	132.12	130.16
Profit after tax	96.66	91.41
Surplus brought forward	676.12	641.74
Amount available for appropriation	772.78	733.15
Appropriations:		
Interim Dividends	30.70	30.70
Final Dividend	10.23	10.23
Tax on distributed profit	4.97	6.96
	45.90	47.89
Transfer to General Reserve	9.67	9.14
Surplus Carried Forward to Profit & Loss Account	717.21	676.12
	772.78	733.15
Per share data (Rs)		
Face value of Equity Share	2.00	2.00
Dividend per share	2.80	2.80
Market Price of Shares		
High	118.00	122.35
Low	78.00	72.05
Close on March 31	86.65	92.95
Earnings Per share	6.61	6.25

FINANCIAL REVIEW:

The business environment during the year remained recessionary leading to slowdown in demand. Revenue from Operations for the year at ₹ 1675.01 million declined by 17% over the previous year primarily due to reduced focus on Tailor Made products. While sales of glassline products increased moderately by 3%, sales of non glassline products declined by 43% as compared to previous year. Orders inflow in fourth quarter showed improvement resulting in a healthy unexecuted ₹ 1,113 millions including ₹ 698 millions of glasslined products and ₹ 415 millions of non-glasslined products, at the end of this year.

Directors are pleased to inform that in spite of adverse business environment, the Company has been able to maintain its overall performance. Profit before tax for the year at ₹ 132.12 million was 2% above ₹ 130.16 million in the previous year. Profit after tax also increased by 6% to ₹ 96.66 million from ₹ 91.41 million in the previous year. Earnings per share increased by 6% to ₹ 6.61 per share as compared to ₹ 6.25 of the previous year.

Sales of the Company's Swiss subsidiary, Mavag AG for the year was at ₹ 469.2 million, 19% lower than ₹ 579.91 million in the previous year due to continued economic slow down in the European market with pressure on price and volatility in the foreign exchange rates. Profitability also remained low. Profit after tax for the year decreased by 6% to ₹ 3.2 million, as compared to ₹ 3.4 million in the previous year.

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 for the year amounted to ₹ 30.70 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 ₹ 0.70 per equity shares amounting to ₹ 10.23 million, subject to approval of the Annual General Meeting.

The aggregate amount of interim dividends paid during the year and the final dividend recommended for the year shall be ₹ 2.80 per share amounting to ₹ 40.96 million.

FIXED DEPOSITS:

The Company has not accepted any Fixed Deposits during the year under review. There were no overdue or unclaimed deposits outstanding as on March 31, 2013.

INVESTMENTS:

Shares of Nile Limited held by the Company and its investment subsidiaries Karamsad Investments Limited and Karamsad Holdings Limited have been sold within the mutually agreed extended time limit of April 1, 2013 with a net gain of ₹ 40.48 million.

At the end of the year the Company had current investment in marketable securities of ₹ 103.42 million. There was a diminution of ₹ 0.14 million in the market value of these investments which has been provided for in the accounts during the year.

The Company made substantial investments in upgrading its manufacturing facility including the Enameling Plant. The up-gradation of its computer ERP system has been completed. These upgrades are expected to result in reduced manufacturing cycle time, improved business processes and prompt response to the customers.

MERGER OF ROBBINS & MYERS INC, USA WITH NATIONAL OIL WELL VARCO INC, USA:

The Company's ultimate holding Company Robbins & Myers Inc, USA, merged with National Oilwell Varco Inc. (NOV) USA on February 20, 2013. By virtue of this merger NOV has become the ultimate holding company from February 21, 2013.

CONSERVATION OF ENERGY:

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is attached as Annexure "A" and forms a part of this Report.

FOREIGN EXCHANGE:

Information on foreign exchange earnings and expenses are provided in Note 36 to 39 of 'Notes to Financial Statement for the year ended March 31, 2013'.

SUBSIDIARY COMPANIES:

Karamsad Holdings Limited, Karamsad Investments Limited, GMM Mavag AG and Mavag AG are wholly owned subsidiaries of the Company. The Ministry of Company Affairs has granted general exemption to Companies from attaching the final accounts of the subsidiary companies to the Annual Report pursuant to Section 212 of the Companies Act, 1956. However a statement showing the relevant details of the subsidiaries is enclosed and is a part of the Annual Report. The Members who wish to have a copy of annual accounts of these subsidiaries may write to the Company Secretary at the Registered Office of the Company.

PARTICULARS OF EMPLOYEES:

Pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 ('the Act') read with The Companies (Particulars of Employees) Rules, 1975, the name and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per provisions of Section 219(1)(b)(iv) of the Act, the information relating to employees is not included in the Reports and Accounts sent to the shareholders of the Company. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office address.

DIRECTORS:

During the year under review, Mr. Michael C. Reed was appointed as a director in place of Mr. Peter Wallace as nominee director of Pfuadler Inc. w.e.f. April 24, 2013. The Board places on record its sincere appreciation for the advice and guidance extended by Mr. Wallace during his tenure as a Director of the Company.

Mr. Darius C. Shroff and Mr. Tarak A. Patel will be retiring at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Mr. Ashok J. Patel has been re-appointed as Managing Director of the Company for a period of 3 years with effect from January 1, 2013.

Details of the Directors seeking re-appointment are provided in the Corporate Governance Report forming part of this report, as required under Clause 49 of the Listing Agreement with the Bombay Stock Exchange.

DIRECTORS RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief, and according to the information and explanations provided to them, the Directors make the following statement pursuant to Section 217(2AA) of the Companies Act, 1956:

1. that in the preparation of the annual accounts for the year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanations in case of material departures;
2. that such accounting policies as mentioned in Note 2 of Notes to Financial Statements have been applied consistently and judgments and estimates that are made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the said financial year ended March 31, 2013 and of the Profit & Loss Statement of the Company for that period;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. that annual accounts for the year ended March 31, 2013 have been prepared on a 'going concern' basis.

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

In accordance with the Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, Management Discussion & Analysis Report is attached hereto and forms part of this Director's Report.

CORPORATE GOVERNANCE:

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

AUDITORS:

M/s. Kalyaniwalla & Mistry, Chartered Accountants, retire at the conclusion of ensuing Annual General Meeting, offer themselves for reappointment. The requisite certificate has been received from them to the effect that their reappointment as Statutory Auditors, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

COST AUDITORS:

The Company has appointed M/s. A. G. Dalwadi & Co., Dalwadi & Associates., Cost Accountants, Ahmedabad as Cost Auditors to conduct the audit of cost accounts maintained by the Company, for the financial year 2012-13, subject to the approval of Central Govt., thereto. As mandated by the Circular No. 15/2011 dated 11th April, 2011 issued by the Ministry of Corporate Affairs, Govt. of India, full particulars of Cost Auditors are given herein below:-

Name: Shri Ashwin G. Dalwadi, M/s. Dalwadi & Associates
ICWA Membership No. 8996
Address: 403, Ashirwad Complex,
Behind Sardar Patel Seva Samaj,
Near Mithakhali Six Roads,
Ahmedabad - 380 006.

Details of Cost Audit Compliance Report for the financial year ended 31st March, 2012.

(a) Due date of filing 31st December, 2012

(b) Actual date of filing 23rd December, 2012

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

Ashok J. Patel
Managing Director

Mumbai, May 30, 2013

'ANNEXURE A' TO DIRECTOR'S REPORT

1. Conservation of Energy:

- The Company consistently pursues various avenues to conserve energy used in the factory in various forms like electricity, natural gas and other gases. The Company has also alternate source of electricity generation through its 9 wind mills installed, which generate about 2 Million KWH of electrical energy per year.
- Energy Audits are carried out at interval of three years with the help of Electrical Research & Development Association of Gujarat (ERDA) to ascertain area of energy conservations.
- Electricity and Natural Gas are being the two major forms of energy consumed by the Company; constant focus is kept on its consumption in furnaces in Enameling Plant. Performance of these furnaces is monitored on daily basis in order to economize consumption of electricity and Natural gas.
- As part of its continued efforts to reduce cost of energy, the Company has commissioned a second Natural Gas Radiant Tube Furnace for its Enameling Plant, which is in operation since June, 2011. It has reduced the Electricity consumption by 25%.
- Installation of Inverter based welding machines in place of Coil rectifiers and Variable Frequency Drive (VFD) replacing contractor type drive on over-head cranes have also resulted in energy savings.

2. Research & Development:

The Company has a Research & Development (R&D) centre which is approved by the Department of Science & Technology of the Government of India. The Company continuously carries out R&D in several areas in the process of manufacturing glass lined vessels and improving the quality of its product employing new and advanced technology. The ability to leverage the R&D expertise and knowledge of Pfaunder Group, has helped the Company to innovate and renovate, manufacture high quality safe products and achieve efficient operations.

The Company continues to be a member of the consortium on Micro Reactor Technology under the auspices of National Chemical Laboratory, Pune. Areas where specific R&D was successfully carried out during the year are as follows:

- The Company has developed and manufactured GMP Glass-lined lab reactors which are used in R&D of pharmaceutical industry.
- Company has acquired accreditation for ATEX approved Glasslined reactors with agitator system.
- The Company has strengthened the quality assurance process by introducing LLOYD's approval for all Glasslined reactors.
- The Company is in the process of developing new handling equipments in Enameling plant for handling large Glasslined reactors.
- Rotary Vacuum Paddle Dryer and Bio Fomenter Skid developed by the Company received good response from pharmaceutical companies.
- The Company's new state of art shot blasting machine, imported from UK, has improved process efficiency and reduced pollution and cost.
- The Company is in the process of development of MavaSphere in India with help from its Swiss subsidiary Mavag. This will improve the drying process efficiency with minimum residue for pharmaceutical industry.
- The Company has also implemented new NDT processes through New Digital UT machine, new high intensify illuminator and New Digital Density meter.
- The Company has achieved Improvement in existing production processes for Multi Nozzle Heating Torch and developed Light weight firing supports in the Enameling furnaces.

3. Technology:

Expenditure in R&D:

(₹ in Million)

	Year ended 31.03.13
a) Capital	1.25
b) Recurring	9.20
Total	10.45
c) Total R&D expenditure as % of total turn over.	0.62%

For and on behalf of the Board of Directors

P. Krishnamurthy
Chairman

Ashok J. Patel
Managing Director

Mumbai, May 30, 2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

COMPANY OVERVIEW:

GMM Pfaudler Limited was established in the year 1962. The Company has a state of the art manufacturing facility spread over a 20 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.

INDUSTRY STRUCTURE AND DEVELOPMENT:

The Indian economy has experienced considerable slowdown during the year. GDP growth estimate for the year has been revised downward to 5.3% from above 7%, Industrial output is volatile, escalated interest rates and high inflation levels were an ongoing concern. The fall out has extended to the Indian Pharmaceutical market and Chemical Industry, the industry growth being lower than the previous year. However, with increased government measures and industry's proactive actions, outlook for the sectors remains positive. GDP Forecast for the year 2013-14 is 6%.

While the Chemical industry in India grew as a whole above 10% in 2013 and it is also expected to grow at a CAGR of above 10%.

The Pharmaceutical industry grew by about 15% during the year and it is expected to grow at a CAGR of 17% till 2016. Heightened competition and a greater presence of branded generics are putting greater pricing pressures on the industry. The low priced segment of the market has almost doubled its share over the last four years. The continued focus on India as a base for bulk drugs, both of a generic nature and increasingly for specialty patent protected drugs chemicals, the industry is expected to continue its growth momentum in the near term.

With investments by established companies, both Indian and multi nationals, as well as from new companies, the Company expects to see broadening of its customer base as well as increase in revenues from its existing customers.

OPPORTUNITIES & THREATS:

New markets due to migration of chemical business into India from the western world continue to be an opportunity for the Company's products.

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 chemical industry, the capital spend in fertilizer, petrochemical, power, bio technology is expected to offer opportunities for growth.

With multiple code accreditations that allows our products to be sold overseas in markets in USA, Europe and China, the Company is poised to exploit the export markets as well.

Commodities price fluctuations, especially in steel, and high rate of inflation and interest rates could hamper the industry growth.

FINANCIAL PERFORMANCE:

Sales and Operating Income for the year has declined due to slow market demand and reduced focus on Tailor Made products. However, profitability for the year was maintained due to reduction of cost of outsourcing and reduction in input and other cost. The Company put greater focus on the management of working capital which resulted in improved cash flow for the year. Investment in upgradation of the manufacturing facility and computer ERP systems has been funded from the internal accruals without resorting to any debts.

Higher order intake in the fourth quarter of the year has resulted in year end order backlog of ₹ 1,113 million, being 23% above the previous year.

SEGMENT WISE OPERATIONAL PERFORMANCE:

a) 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 ₹ 1428.07 million, 14% lower than that of previous year. This division contributed about 85% of the total sales of the Company. This Division of the Company continues to enjoy the number one position in manufacturer of glass-lined equipment in India. The profit from this segment was ₹ 128.32 million, a decrease of about 13% over the previous year due to lower sales of Tailor Made Products and increases in cost of Power & Fuel in the form of natural gas and electricity. The capital employed for this division was ₹ 588.1 million, an increase of 3% from the previous year level.

b) Mixing System

This 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 decreased by over 43% to ₹ 113.49 million from ₹ 199.63 million in the previous financial year due to low order intake during the year and hold put on some of the major customer orders. The profit from this segment was ₹ 8.9 million, a decrease of 38% over the previous year. Capital employed for this Division was ₹ 9.73 million, a decrease of about 53% from the previous year.

c) 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 ₹ 133.45 million, a decrease of 12% over previous year. Profits however were higher by 23% at ₹ 6.24 million, Capital employed for this Division was ₹ 57.0 million an increase of 25% from the previous year.

OUTLOOK:

In line with the overall slowdown in the economy, the demand for some of the Company's products have shown a decline during the year.

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

RISKS AND CONCERNS:

Some of the global economies are yet to recover from the slowdown and uncertainty still persists due to inflation, high interest rates and high volatility in major currencies. This may also have an impact on Company's exports business.

The Company has 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 Company is impacted during summer period by Gujarat State's difficult power supply situation. Further, the power tariffs in Gujarat State are one of the highest in India. Continuous rise in the oil price in India and abroad has the effect of increasing the cost of natural gas and electricity. 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 now has caused concerns due to continuous rise cost of natural gas.

Finally, the Company's primary raw material is steel, which has shown some signs of rise, especially stainless and other alloy steels. 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.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company works with an established framework of internal controls. 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.

A firm of Chartered Accountants that has established reputation in the country 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.

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.

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.

HUMAN RESOURCES & INDUSTRIAL RELATIONS:

The Company firmly believes that its employees are the key to driving performance and developing competitive advantage. The emphasis has been on proper recruitment of talent and empowerment while devoting resources for their continuous development. 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, 2013, the Company's total permanent employee strength was 348 same as on March 31, 2012.

CORPORATE SOCIAL RESPONSIBILITY:

As a part of its social developments initiatives, your Company continued its dedicated efforts towards social programs by continued support for ongoing long term projects and commissioning many new activities.

The Company has taken keen interest in educational activities at J. V. Patel Industrial Training Institute and community development activities at Sardar Patel Trust at Karamsad, Gujarat where the Company's manufacturing facility and registered office is located.

The Company has undertaken the pilot Vocational Education and Training (VET) Project, a Swiss-Indian initiative launched by the Federal Office for Professional Education and Technology (OPET) together with the Swiss-Indian Chamber of Commerce (SICC). This project is undertaken by the company for skill development. The VET Project is currently implemented in Karnataka, Maharashtra and is being extended to Gujarat.

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.

REPORT ON CORPORATE GOVERNANCE

A report for the financial year ended March 31, 2013 on the compliance by the Company of 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 Bombay Stock Exchange 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 accountabilities 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 comply with all laws governing its operations, 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.

Declaration under Clause 49 of the Listing Agreement

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, I hereby declare that the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for Board Members and Senior Management Personnel respectively for the year ended March 31, 2013.

For GMM Pfudler Limited

Ashok J. Patel
Managing Director (CEO)

Mumbai, May 30, 2013

2. Board of Directors**Composition and Status of Directors:**

The Board Directors of the Company comprises of seven Directors, i.e. two Executive and five Non-Executive Directors. Four of the seven are Promoter Directors and three are Independent Directors.

Mr. P. Krishnamurthy, who is a Non-Executive and independent Director, is the Chairman of the Board of Directors of the Company. Mr. Ashok J. Patel is the Managing Director and Mr. Tarak A. Patel is the Executive Director of the Company.

During the year under review, Mr. Michael C. Reed was appointed as a Director in place of Mr. Peter Wallace as Nominee Director of Pfudler Inc. w.e.f. April 24, 2013. The Board places on record its sincere appreciation for the advice and guidance extended by Mr. Wallace during his tenure as a Director of the Company.

None of the Directors are related to each other except that Mr. Tarak A. Patel is the son of Mr. Ashok J. Patel.

Attendance at the Board Meetings and last Annual General Meeting:

Five Board meetings were held during the year under review and the gap between two Board meetings did not exceed four months. First meeting was held on May 7, 2012, Second on July 17, 2012, Third on November 5, 2012 and Fourth on February 5, 2013 and Fifth on March 12, 2013. Your Company continued the practice of providing conference call facility to enable all the Foreign Directors to participate and discuss at the Board Meetings. Details of attendance of Directors and Directorships in other Public Limited Companies are as under:

Name of Director	Number of Board Meeting Attended	Participation through Tele-conference	Annual General Meeting
Mr. P. Krishnamurthy	5	--	Yes
Mr. Ashok J. Patel	5	--	Yes
Mr. Peter C. Wallace	—	4	No
Mr. Kevin J. Brown	--	4	No
Dr. S. Sivaram	4	--	No
Mr. Darius C. Shroff	4	--	No
Mr. Tarak A. Patel	4	--	No
# Mr. Michael C. Reed	N.A.	N.A.	N.A.

appointed as Director in place of Mr. Peter C. Wallace w.e.f. April 24, 2013.

Board Members and their Directorships in other Public Companies:

Name of Director	Status @Directorship in other Public Ltd. Companies	\$No. of Memberships/ Chairmanships of other Committees		
		Member	Chairman	
Mr. P. Krishnamurthy	Non Executive & Independent	6	3	2
Mr. Ashok J. Patel*	Executive	4	Nil	Nil
Mr. Peter C. Wallace**	Non Executive	Nil	Nil	Nil
Mr. Kevin J. Brown**	Non Executive	Nil	Nil	Nil
Dr. S. Sivaram	Non Executive & Independent	2	Nil	Nil
Mr. Darius C. Shroff	Non Executive & Independent	4	1	2
Mr. Tarak A. Patel*	Executive	2	Nil	Nil
#Mr. Michael C. Reed**	Non Executive	Nil	Nil	Nil

appointed as Director in place of Mr. Peter C. Wallace w.e.f. April 24, 2013

* Indian Promoter

** Representing Foreign Promoter, viz., Pfudler Inc. (National Oilwell Varco Inc. Group)

@ Excluding GMM Pfudler Limited, Private Limited Companies, Foreign Companies, Section 25 Companies and Alternate Directorships.

\$ Memberships / Chairmanships in Audit Committee and Shareholders / Investors Grievance Committee, excluding those in GMM Pfudler Limited.

Remuneration and Shareholding of Directors:

Mr. Ashok J. Patel is an Indian Promoter /Managing Director of the Company. Mr. Tarak A. Patel is an Indian Promoter/ Executive Director of the Company. Their remuneration structure is as under:

(₹ in Millions)

Sr. No.	Particulars	Ashok J. Patel	Tarak A. Patel
1.	Salary and allowances	9.33	2.43
2.	Provident Fund & other funds	1.34	0.67
3.	Perquisites	0.22	0.39
4.	Commission	0.30	-
	Total	11.20	3.49

Non-Executive Director's Compensation:

Non-Executive and Independent Directors on the Board of the Company are being paid sitting fees as under.

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

3. Audit Committee:

The Audit Committee of the Company is duly constituted in accordance Clause 49(II) of the Listing Agreement. Mr. P. Krishnamurthy, Dr. S. Sivaram and Mr. Darius C. Shroff are the Members of the Committee and Mr. P. Krishnamurthy is the Chairman of the Committee.

Members of the Audit Committee are Non-Executive Directors of the Company and possess knowledge of Accounts, Audit and Finance. The Company Secretary acts as Secretary to the Audit Committee. The Audit Committee met on four occasions viz. May 7, 2012, July 17, 2012, November 5, 2012, and February 5, 2013. The minutes of the Audit Committee Meetings were noted at the Board Meetings. The attendance at these Meetings was as under:

Name of Director	Designation	No. of Meetings Attended
Mr. P. Krishnamurthy	Chairman	4
Dr. S. Sivaram	Member	3
Mr. Darius C. Shroff	Member	4

Terms of Reference of the Audit Committee of the Board of Directors are as under:

- To review the quarterly, half yearly and annual financial accounts of the Company before submission to the Board for approval.
- To review operational results of subsidiary companies.
- To discuss with Statutory and Internal Auditors about the internal control systems and its compliances.
- Recommending to the Board, the appointment, reappointment and if required, replacement or removal of the Statutory Auditor / Cost Auditor and the fixation of audit fees.
- To investigate matters referred to it by the Board or as specified.
- To review the Statutory Auditor's Audit Reports and management's response.
- To review matters as required under the terms of the Listing Agreement.
- To access information contained in the records of the Company, and
- To refer to external professionals for advice, if necessary.

The Audit Committee also reviews the following information:

- Management discussion and analysis of financial conditions and results of operations.
- Statement of significant related party transactions

4. Remuneration Committee:

Remuneration Committee of Board of Directors of the Company consists of Mr. P. Krishnamurthy (Chairman), Dr. S. Sivaram, Mr. Darius C. Shroff and Mr. Michael C. Reed as on date. Mr. Michael C. Reed became a member of the Committee w.e.f. May 30, 2013 in place of Mr. Peter C. Wallace. All the members of the Remuneration Committee are Non-Executive Directors.

During the financial year under review, three meetings of the Remuneration Committee were held on May 7, 2012, July 17, 2012 and November 5, 2012. The Minutes of the Remuneration Committee Meetings were noted at the Board Meetings. The attendance at these Meetings was as under:

Name of Director	Designation	No. of Meetings Attended
Mr. P. Krishnamurthy	Chairman	3
Dr. S. Sivaram	Member	2
Mr. Darius C. Shroff	Member	3

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

Remuneration of the Managing Director and Executive Director is recommended by the Remuneration Committee, fixed by the Board and approved by the shareholders.

Remuneration of Directors:

Details of Remuneration paid/ payable to Directors for the year ended March 31, 2013 are as follows:

(₹ in Millions)				
Director	Relationship with other Directors	Sitting Fees	Salary, Perquisites & Commission	Total Amount
Mr. P. Krishnamurthy	None	0.16	Nil	0.16
Mr. Ashok J. Patel	Father of Mr. Tarak Patel	Nil	11.20	11.20
Mr. Peter C. Wallace	None	Nil	Nil	Nil
Mr. Kevin J. Brown	None	Nil	Nil	Nil
Dr. S. Sivaram	None	0.12	Nil	0.12
Mr. Darius C. Shroff	None	0.13	Nil	0.13
Mr. Tarak A. Patel	Son of Mr. Ashok Patel	Nil	3.49	3.49

5. Shareholders & Investors Grievance Committee:

Shareholders & Investors Grievance Committee of the Company consists of Mr. P. Krishnamurthy (Chairman), Dr. S Sivaram and Mr. Darius C. Shroff.

The Shareholder and Investors Grievance Committee met on four occasions viz May 7, 2012, July 17, 2012, November 5, 2012, and February 5, 2013. The minutes of the Shareholders & Investors Grievance Committee Meetings were noted at the Board Meetings. The attendance at these meetings was as under:

Name of Director	Designation	No. of Meetings Attended
Mr. P. Krishnamurthy	Chairman	4
Dr. S. Sivaram	Member	3
Mr. Darius C. Shroff	Member	4

Ms. Mittal Mehta, Company Secretary is 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, handled and balances if any. It also reviews quarterly shareholding patterns etc.

During the year under review, the Company received 14 complaints and the all of them were duly disposed off. No investor grievance remained unattended/ pending for more than 30 days and no request of share transfers and dematerialization received during the financial year was pending for more than 30 days and 15 days respectively. The Company does not have any pending transfers / non-attended complaint as at the closure of the year under review.

As provided under Clause 47(f) of the Listing Agreement, with the Stock Exchange, the Company has designated an email id exclusively for the purpose of redressal of investors' grievances: investorservices@gmmpfaudler.com

6. Committee of Independent Directors:

Committee of Independent Directors consisting of Mr. P. Krishnamurthy (Chairman) and Dr. S. Sivaram was constituted on March 12, 2013 in terms of under 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 National Oilwell Varco Inc. (Acquirer) and Pfaudler Inc. (PAC) to the shareholders of GMM Pfaudler Limited.

The Committee of Independent Directors met on two occasions viz. March 12, 2013 and April 12, 2013. The Minutes of the Committee of Independent Directors Meetings were noted at the Board Meetings. The attendance at these Meetings was as under:

Name of Director	Designation	No. of Meetings Attended
Mr. P. Krishnamurthy	Chairman	2
Dr. S. Sivaram	Member	2

7. General Body Meeting:

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

Year	Annual General Meeting	Date of Meeting	Time of Meeting	Venue	No. of Special Resolutions Passed
2009-10	47th	September 29, 2010	10.00 a.m.	Sardar Vallabhbhai Patel and Veer	2
2010-11	48th	September 29, 2011	10.00 a.m.	Vithalbhair Patel Memorable,	1
2011-12	49th	September 5, 2012	10.00 a.m.	Anand - Sojitra Road, Karamsad 388 325, Gujarat	2

All resolutions including the special resolutions at the above General Meetings were passed by way of show of hands. No postal ballots were used for voting at these Meetings.

8. Details of Directors Appointed during the year / seeking re-appointment:

Mr. Darius C. Shroff, age 68, is a Non-Executive Independent Director on the Board of our Company since 2006. He is a member of Audit Committee, Shareholders and Investors Grievance Committee and Remuneration Committee. Mr. Darius C. Shroff is a Solicitor and Advocate. He is a Senior Partner of Crawford Bayley and has over 40 years of experience in the legal profession. In his professional practice, Mr. Shroff covers a wide range of legal services and has specialized in Employment and Industrial Law.

Mr. Shroff is a Director in the following Companies (excluding Private Companies, Foreign Companies and registered under Section 25 of the Companies Act, 1956): Ingersoll-Rand (India) Ltd., Kulkarni Power Tools Ltd., Siemens Ltd. and Unifrax India Ltd.

Mr. Tarak A. Patel, age 37, has been an Executive Director of our Company since 2007. He has also served as Vice President - Sales & Marketing and Manager - Corporate Development in our company. Prior to joining GMM Pfaudler Limited Mr. Patel worked with Universal Consulting, a leading Strategy Management Consulting & Growth Strategy Consulting Company based in Mumbai, India.

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

Mr. Tarak Patel is a Director in the following Companies (excluding Private Companies, Foreign Companies and registered under Section 25 of the Companies Act, 1956): Skyline Millars Ltd. and Ready Mix Concrete Ltd.

Mr. Michael C. Reed, age 48, has been appointed as a Director not liable to retire by rotation, nominated by Pfaudler Inc. in place of Mr. Peter C. Wallace with effect from April 24, 2013.

He is the Vice President – Africa, Middle East, India, Dubai, UAE and Houston, Texas, USA of National Oilwell Varco (NOV) Inc. since 2008 and has been associated with NOV since 2000. Mr. Reed holds an MBA-Finance Rice University and a B.S.B.A.-Accounting degree from the University of Akron. Mr. Reed is also a Certified Public Accountant. Mr. Reed serves as a director on the board of Saudi Vetco Ltd. NOV India Private Ltd., Westpro, NOV Bahrain, NOV Ghana, NOV Tanzania, and NOV Mozambique.

9. Disclosures:

- a) 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 Schedule 43 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.
- b) During the last three years, there were no strictures or penalties imposed either by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market.
- c) 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.
- d) The Company has complied with the mandatory requirements of the Corporate Governance Clause of Listing Agreement. The Company has implemented some of the non-mandatory requirements enlisted by way of annexure to Clause 49 of the Listing Agreement including the constitution of Remuneration Committee and adoption of whistle blower policy.

10. Means of Communication:

The Company publishes its Quarterly, Half-yearly and Annual Financial results in the Economics Times (Mumbai and Ahmedabad) and Naya Padkar (Anand) newspapers. The said results are also available at the Company's website: www.gmmpfaudler.com.

During the year, the Company has not released any official news of the Company or any presentation to institutional investor / analysts.

CEO / CFO Certificate:

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, 2013 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 violative 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.

11. General Shareholder Information:

- a) Annual General Meeting:
50th Annual General Meeting of the Company will be held on Tuesday, September 17, 2013 at 10 a.m. at the Sardar Vallabh Patel and Veer Vithalbhai Patel Memorial, Karamsad, Gujarat 388 325.
- b) Financial year of the Company: April to March
- c) Financial Calendar (Tentative):
Financial reporting for:
 - Quarter ended June 30, 2013: 4th week of July, 2013
 - Quarter ended September 30, 2013: 4th week of October, 2013
 - Quarter ended December 31, 2013: 1st week of February, 2014
 - Quarter ended March 31, 2014: 2nd week of May, 2014
 - Annual General Meeting for the year ended March 31, 2014: 3rd week of September, 2014

- d) Date of Book Closure: Wednesday, September 11, 2013 to Tuesday, September 17, 2013 (Both days inclusive)
- e) Dividend Payment Date: On or after September 23, 2013
- f) Listing of Stock Exchange: The Bombay Stock Exchange Limited
- g) Stock Code: 505255
- h) Dematerialization: ISIN Number 541A01015
- 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. Dnyanesh Gharote 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 2012	98.90	83.00	17,664.10	17,010.16
May 2012	89.45	78.00	17,432.33	15,809.71
June 2012	84.20	78.15	17,448.48	15,748.98
July 2012	92.00	78.00	17,631.19	16,598.48
August 2012	108.40	81.00	17,972.54	17,026.97
September 2012	108.80	96.15	18,869.94	17,250.80
October 2012	118.00	96.40	19,137.29	18,393.42
November 2012	114.35	101.10	19,372.70	18,255.69
December 2012	115.00	99.00	19,612.18	19,149.03
January 2013	109.85	95.30	20,203.66	19,508.93
February 2013	103.00	85.00	19,966.69	18,793.97
March 2013	93.00	80.00	19,754.66	18,568.43

- l) Shareholding Pattern as on March 31, 2013:

Category	No. of shares	Percent
Foreign Promoters - Pfaudler Inc.	7,454,400	51.00
Indian Promoters Group	3,590,650	24.56
NRI/OCB	61,156	0.42
Financial Institution, Nationalized Bank, Insurance Companies	138,958	0.95
Domestic Companies, Clearing Members, Trusts	362,566	2.48
Individuals	3,009,770	20.59
Total	14,617,500	100.00

- m) Distribution of Shareholding as on March 31, 2013:

Sr. No	Slab of shareholding		Shareholders		Shares	
	No. of Equity shares held		Nos.	%	Nos.	%
	From	To				
1.	1	500	5,195	83.99	789,814	5.40
2.	501	1000	509	8.23	396,726	2.71
3.	1001	2000	285	4.61	426,526	2.92
4.	2001	3000	61	0.99	157,391	1.08
5.	3001	4000	29	0.47	103,121	0.71
6.	4001	5000	28	0.45	125,625	0.86
7.	5001	10000	38	0.61	260,156	1.78
8.	10001	Above	40	0.65	12,358,141	84.54
Total			6,185	100.00	14,617,500	100.00

- n) Dematerialization:
As on March 31, 2013, 97.03% of the Company's total shares representing 14,183,470 shares are held in dematerialized form and the balance 434,030 representing 2.97% 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 Pvt. Ltd.
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. Dnyanesh Gharote
Email: rnt.helpdesk@linkintime.co.in

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, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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 the compliance of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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 and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants
Firm Registration No: 104607W

Vinayak M. Padwal
Partner
M. No: F 49639

Mumbai, June 3, 2013

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GMM PFAUDLER LIMITED

Report on Financial Statements

We have audited the attached Balance Sheet of GMM Pfaudler Limited, as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation, maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the 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:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors' Report) Order (Amendment) Order 2004, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956, to the extent applicable;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants
Firm Registration No. 104607W

Vinayak M. Padwal
Partner
M. No. F 49639
Mumbai; June 3, 2013

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date on the accounts of GMM Pfaudler Limited for the year ended March 31, 2013.

- 1) (a) The Company is maintaining 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 noticed on such verification were not material and the same have been properly dealt with in the books of account.
(c) In our opinion, the fixed assets disposed off during the year were not substantial, and do not affect the going concern assumption.
- 2) (a) The management has conducted physical verification of inventory at reasonable intervals.
(b) In our opinion, the procedures of physical verification of inventory followed by the 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. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- 3) (a) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) The Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
- 5) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanation given to us, having regard to the explanation that certain transactions being of a special nature where comparable alternative quotations are not available, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act 1956 and exceeding rupees five lakh with any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956, and the rules framed there under.
- 7) The Company has an internal audit system, which in our opinion, is commensurate with the size of the Company and the nature of its business.
- 8) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 9) (a) According to the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid statutory dues were outstanding, at the year-end for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty or cess outstanding on account of any dispute, other than those stated hereunder:

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	21.58	1990-91 & 2009-10	Income Tax Appellate Tribunal and Commissioner of Income Tax
Central Sales Tax Act	Sales Tax	0.71	Various years from 2004-05 to 2008-09	VAT Tribunal
Central Excise Act	Excise Duty	5.84	Various years from 1996-97 to 2012-13	Assistant Commissioner of Central Excise and Tribunal

- 10) The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- 11) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- 12) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund/ societies.
- 14) In our opinion, the Company has maintained proper records of the transactions and contracts in respect of investments purchased and sold during the year and timely entries have been made therein. The investments made by the Company are held in its own name.
- 15) According to the information and explanations given to us and the records examined by us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) According to the information and explanations given to us and the records examined by us, the Company has not obtained any term loans.
- 17) On the basis on an overall examination of the balance sheet and cash flows of the Company and the information and explanations given to us, we report that the Company has not utilized the funds raised on short-term basis for long-term investment.
- 18) The Company has not made any preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The Company did not issue any debentures during the year.
- 20) The Company has not raised any money through a public issue during the year.
- 21) Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants
Firm Registration No: 104607W

Vinayak M. Padwal
Partner
M. No: F 49639

Mumbai, June 3, 2013

BALANCE SHEET AS AT MARCH 31, 2013

	Note	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	29.23	29.23
Reserves and Surplus	4	1,046.79	996.03
		1,076.02	1,025.26
Non-current liabilities			
Deferred tax liabilities (Net)	5	46.50	51.28
Other Long term liabilities	6	0.19	0.29
		46.69	51.57
Current Liabilities			
Trade payables	7	203.21	213.70
Other current liabilities	8	268.77	294.95
Short term provisions	9	15.96	30.34
		487.94	538.99
Total		1,610.65	1,615.82
II. ASSETS			
Non-current assets			
Fixed assets	10		
Tangible assets		389.20	370.33
Intangible assets		23.78	0.94
Capital work-in-progress		8.81	28.84
Intangible assets under Development		-	9.57
Non-current investments	11	232.87	245.41
Long term loans and advances	12	42.81	23.93
		697.47	679.02
Current assets			
Current investments	13	103.42	50.46
Inventories	14	465.49	515.78
Trade receivables	15	254.10	269.86
Cash and cash equivalents	16	46.01	66.68
Short term loans and advances	17	20.68	22.77
Other current assets	18	23.48	11.24
		913.18	936.80
Total		1,610.65	1,615.82
Summary of Significant Accounting Policies	2		

The accompanying Notes 1 and 2 form an integral part of the Balance Sheet.

As per our report attached.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Vinayak M. Padwal
Partner

M. No. F 49639

Mumbai, June 3, 2013

For and on behalf of the Board

P. Krishnamurthy	Chairman
Ashok J. Patel	Managing Director
Tarak A. Patel	Executive Director
Michael C. Reed	Director
Dr. S. Sivaram	Director
A. N. Mohanty	Financial Controller

Mumbai, May 30, 2013

Mittal Mehta Company Secretary

Mumbai, June 3, 2013

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	Note	Year ended 31.03.13 ₹ in Millions	Year ended 31.03.12 ₹ in Millions
INCOME			
Revenue from operations	19	1,822.97	2,167.53
Less: Excise duty		147.96	149.40
		1,675.01	2,018.13
Other Income	20	50.95	28.80
Total		1,725.96	2,046.93
EXPENSES			
Cost of materials consumed	21	847.15	1,178.32
Change in inventories of finished goods and work-in-progress	22	39.97	45.59
Employee benefits expense	23	198.99	193.13
Finance costs	24	7.28	11.65
Depreciation	10	55.93	49.10
Other expenses	25	444.52	438.98
Total		1,593.84	1,916.77
Profit before tax		132.12	130.16
TAX EXPENSES			
Current tax		40.24	24.03
Deferred tax		(4.78)	14.72
Profit after tax		96.66	91.41
EARNINGS PER EQUITY SHARE:			
Basic		6.61	6.25
Diluted		6.61	6.25

The accompanying Notes 1 and 2 form an integral part of the Statement of Profit and Loss.

As per our report attached.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Vinayak M. Padwal
Partner

M. No. F 49639

Mumbai, June 3, 2013

For and on behalf of the Board

P. Krishnamurthy	Chairman
Ashok J. Patel	Managing Director
Tarak A. Patel	Executive Director
Michael C. Reed	Director
Dr. S. Sivaram	Director
A. N. Mohanty	Financial Controller

Mumbai, May 30, 2013

Mittal Mehta Company Secretary

Mumbai, June 3, 2013

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2013

	Year ended 31.03.13 ₹ in Millions	Year ended 31.03.12 ₹ in Millions
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	132.12	130.16
Adjustments to reconcile profit before tax to cash provided by operations		
Depreciation	55.93	49.10
Net (gain) / loss on sale & discard of fixed assets	1.26	-
Net (gain) / loss on sale of Current Investment	0.43	0.02
Net (gain) / loss on sale of Non-Current Investment	(16.32)	(2.52)
Interest income	(6.98)	(2.77)
Interest and financial charges	7.28	11.65
Dividend Income	(12.83)	(6.48)
Provision for doubtful debts, liquidated damages and advances	11.84	14.41
Provision for diminution in value of current investment	(0.85)	0.10
Unrealised foreign exchange fluctuation loss/(gain)	0.26	0.43
Operating profit before working capital changes	172.14	194.10
Adjustments for :		
(Increase)/ Decrease in Inventories	50.29	112.21
(Increase)/ Decrease in Trade receivable, Short term loan & advances and other assets	(15.65)	(33.68)
Increase/ (Decrease) in Trade payables, other current liabilities & Provisions	(49.25)	22.98
Cash generated from operations	157.53	295.61
Direct Taxes paid	(40.29)	(19.25)
Net cash from operating activities	117.24	276.36
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets	(70.38)	(113.24)
Proceeds from sale of fixed assets	1.03	0.56
Purchase of current investments	(101.14)	(26.32)
Purchase of non-current investments	-	(7.51)
Proceeds from sale of current investments	48.57	19.78
Proceeds from sale of non-current investments	28.87	3.82
Interest received	6.98	2.77
Dividend received	3.08	6.48
Net cash used in investing activities	(82.99)	(113.66)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(43.70)
Interest paid	(7.28)	(11.65)
Dividend paid	(41.02)	(40.70)
Tax on distributed profits	(6.63)	(6.96)
Net cash used in financing activities	(54.93)	(103.01)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(20.67)	59.69
Cash and Cash equivalents at the beginning of the year	66.68	6.99
Cash and Cash equivalents at the end of the year	46.01	66.68
Notes: 1. Cash and Cash equivalents as per Balance Sheet:		
Cash on hand	0.58	0.62
Balances with banks	45.43	66.06
Total	46.01	66.68
2. The Company has been sanctioned credit facilities for working capital of ₹ 200 million, of which facilities utilised as on March 31, 2013 were ₹ Nil		

As per our report attached.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Vinayak M. Padwal
Partner

M. No. F 49639

Mumbai, June 3, 2013

For and on behalf of the Board

P. Krishnamurthy Chairman
Ashok J. Patel Managing Director
Tarak A. Patel Executive Director
Michael C. Reed Director
Dr. S. Sivaram Director
A. N. Mohanty Financial Controller

Mumbai, May 30, 2013

Mittal Mehta Company Secretary

Mumbai, June 3, 2013

NOTES TO FINANCIAL STATEMENTS

Note 1. BACKGROUND

GMM Pfaunder 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.

The Company has entered into an investment and technical know-how agreement with Pfaunder Inc. USA ('Pfaunder') a Company incorporated in the United States of America, which owns 50.99 percent of the total issued share capital of the Company. The Company's ultimate holding Company Robbins & Myers Inc, USA, merged with National Oilwell Varco Inc. (NOV), USA on February 20, 2013. By virtue of this merger NOV has become the ultimate holding Company from February 21, 2013.

Note 2. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

The financial statements are prepared under the historical cost convention using the accrual method of accounting, in accordance with generally accepted accounting principles in India, the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956.

b) 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.

c) 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.

Assets acquired under finance lease are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments as at the inception of the lease.

Depreciation is provided pro rata to the period of use, on the straight line method at the rates in compliance with Schedule XIV to the Companies Act, 1956.

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

d) Asset Impairment

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value based on appropriate discount rates.

e) Investments

- (i) Investments are classified into Non current and current investments.
- (ii) 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 recognise a decline, other than of a temporary nature.
- (iii) Current investments are stated at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

f) 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.

g) 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 are translated at the period end exchange rates. Exchange gains / losses are recognized in the profit and loss account. 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.

h) 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.

i) 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.

j) 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 Profit and Loss account 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.

Actuarial gains and losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognised in the Profit and Loss account for the year as income or expense.

k) Provisions and Contingent Liabilities

Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent Liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

l) Taxation

Tax expense comprises of both current and deferred tax.

Provision for current income tax is made on the basis of assessable income under the Income Tax Act, 1961.

Deferred income tax arising on account of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for by applying the income tax rates and laws enacted or substantially enacted on the Balance Sheet date. Deferred tax assets, subject to the consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

m) 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
3. SHARE CAPITAL		
Authorised		
25,000,000 (PY 25,000,000) Equity shares of ₹ 2/- each	50.00	50.00
Issued, Subscribed and Paid-up		
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:	31.03.13	31.03.12
	In Numbers ₹ in Millions	In Numbers ₹ in Millions
At the Beginning of the year	14,617,500 29.23	14,617,500 29.23
Issued during the year	- -	- -
Outstanding as at the end of the year	14,617,500 29.23	14,617,500 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	31.03.13	31.03.12
	In Numbers % holding	In Numbers % holding
Pfaunder Inc (Holding Company)	7,454,400 50.99%	7,454,400 50.99%
Millars Machinery Co. Pvt. Ltd.	1,625,595 11.12%	1,625,595 11.12%
4. RESERVES AND SURPLUS	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
Capital Reserve	0.02	0.02
Cash Subsidy Reserve	0.70	0.70
Share Premium Account	149.28	149.28
General Reserve:		
Balance as per last Balance Sheet	169.91	160.77
Add: Transfer from Profit and Loss account	9.67	9.14
	179.58	169.91
Profit and Loss Account:		
Balance as per last Balance Sheet	676.12	641.74
Add/ (Less): Net Profit/(Loss) for the year	96.66	91.41
(Less): Interim Dividend	(30.70)	(30.70)
(Less): Final Dividend	(10.23)	(10.23)
(Less): Tax on distributed profits	(4.97)	(6.96)
(Less): Transfer to General Reserve	(9.67)	(9.14)
	717.21	676.12
	1,046.79	996.03

	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
5. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liabilities		
Depreciation	57.53	60.12
Lease Assets	-	0.02
	57.53	60.14
Deferred Tax Assets		
Technical Know-how Fees	0.06	0.08
Provision for Doubtful Debts/ Advances	10.93	8.46
Provision for Diminution in Value of Investments	0.04	0.32
	11.03	8.86
Net Deferred Tax Liability	46.50	51.28
6. OTHER LONG TERM LIABILITIES		
Other Liabilities	0.19	0.29
	0.19	0.29
7. TRADE PAYABLES		
- Dues to Micro, Small and Medium Enterprises	5.50	0.55
- Dues to other Creditors	197.71	213.15
	203.21	213.70
8. OTHER CURRENT LIABILITIES		
Advances from customers	197.36	224.26
Unclaimed dividend	2.10	2.19
Other liabilities	69.31	68.50
	268.77	294.95
9. SHORT TERM PROVISIONS		
Provision for unexpired warranty	6.19	9.25
Provision for final dividend	10.23	10.23
Provision for gratuity	5.50	2.73
Provision for leave encashment	(6.06)	6.31
Provision for Income Tax	0.02	0.08
Provision for tax on distributed profits	0.08	1.74
	15.96	30.34

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 10

FIXED ASSETS

₹ in Millions

ASSETS		GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on	Additions	Deductions	As on	Upto	For the	On	Upto	As on	As on	
	01.04.12			31.03.2013	01.04.2012	Year	Deductions	31.03.13	31.03.13	31.03.12	
Tangible Assets:											
Freehold Land	2.32	-	-	2.32	-	-	-	-	2.32	2.32	
Leasehold Land	1.15	-	-	1.15	0.46	0.01	-	0.47	0.68	0.69	
Lease Improvement	10.92	1.68	-	12.60	6.61	2.03	-	8.64	3.96	4.31	
Buildings	134.25	36.45	-	170.70	41.11	3.69	-	44.80	125.90	93.14	
Plant & Machinery	571.33	28.93	22.03	578.23	332.71	42.20	20.71	354.20	224.03	238.62	
Furniture & Fixtures	23.94	0.69	0.06	24.57	13.81	0.99	0.06	14.74	9.83	10.12	
Vehicles*	38.20	7.89	3.54	42.55	17.08	5.51	2.52	20.07	22.48	21.12	
Intangible Assets:											
Computer Software	9.68	24.34	8.14	25.88	8.74	1.50	8.14	2.10	23.78	0.94	
Total	791.79	99.98	33.77	858.00	420.52	55.93	31.43	445.02	412.98	371.27	
Previous Year Total	658.60	134.79	1.60	791.79	372.46	49.10	1.04	420.52	371.27	286.14	
Capital work-in-progress											
Tangible										8.81	28.84
Intangible										-	9.57
										421.79	409.68

* Depreciation rates used for vehicles are higher than that prescribed under Schedule XIV of the Company Act 1956, based on estimate of the useful life of this assets.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 11

NON CURRENT INVESTMENTS

₹ in Millions

	Face value	Number As At 31.03.13	Cost As At 31.03.13	Number As At 31.03.12	Cost As At 31.03.12
1. Non Current Investments (Fully paid) (Valued at cost unless stated otherwise)					
(a) Trade Investments					
Equity Instrument (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	-	50	-
Clarint Chemical India Ltd.	10	50	-	50	-
Dharamshi Morarji Chemicals Co. Ltd.	10	100	-	100	-
Excel Crop Care Ltd.	5	112	-	112	-
Excel Industries Ltd.	5	112	0.01	112	0.01
Futura Polyster Ltd.	10	100	-	100	-
Glaxo Smithkline Pharmaceuticals Ltd.	10	122	0.01	122	0.01
GHCL Ltd.	10	100	-	100	0.00
Hico Products Ltd.	10	625	0.01	625	0.01
IDI Ltd	10	66	-	66	-
Innovsynth Investments Ltd.	10	45	-	45	-
Kansai Nerolac Paints Ltd.	10	666	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	-	399	-
Piramal Life Sciences Ltd	10	39	-	39	-
Piramal Glass Ltd.	10	19	-	19	-
Peninsula Land Ltd.	2	1,040	-	1,040	-
Pfizer Ltd.	10	135	0.01	135	0.01
Shubh Shanti Services Ltd.	10	25	-	25	-
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	50	0.01	50	0.01
			0.52		0.52
(b) Equity Shares (Quoted)					
Skyline Millars Ltd.	1	14,06,000	1.93	14,06,000	1.93
(a company under the same management)					
Nile Ltd.	10		-	2,52,729	11.10
			1.93		13.03
(c) Subsidiary Companies					
Equity Shares (Unquoted)					
GMM Mavag Ag (Face Value CHF 1,000)	1,000	5,000	213.90	5,000	213.90
Karamsad Investment Ltd	10	2,60,000	2.60	2,60,000	2.60
Karamsad Holding Ltd.	10	3,50,000	3.50	3,50,000	3.50
			220.00		220.00
(d) Government Security (Quoted)					
Indian Railway Finance Corp. Bonds	1000	4,350	4.35	4,350	4.35
			4.35		4.35

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Face value	Number As At 31.03.13	Cost As At 31.03.13 ₹ in Millions	Number As At 31.03.12	Cost As At 31.03.12 ₹ in Millions
11 NON CURRENT INVESTMENTS (Continued)					
(e) Deposit with Bank					
Kotak Mahindra bank			6.05		7.50
			6.05		7.50
(f) 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
Total Investments			232.87		245.41
Note :					
Aggregate book value of investments					
Quoted			6.80		17.90
Unquoted			226.07		227.51
			232.87		245.41
Market value of quoted investments			13.82		40.84

	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
12 LONG TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Capital Advances	3.20	3.39
Security Deposits (Refer Note : 27 I and 43 III)	39.61	20.54
	42.81	23.93

13 CURRENT INVESTMENTS					
Mutual Funds (Unquoted)	Face value	Number As At 31.03.2013	Cost As At 31.03.2013 ₹ in Millions	Number As At 31.03.2012	Cost As At 31.03.2012 ₹ in Millions
HSBC Income Fund Short Term Dividend	10	3,514	0.05	1,11,287	1.21
23 ICICI Prudential short term Plan- Dividend Reinvest	10	2,17,538	2.45	3,66,984	4.06
DSPBR Short Term Fund Monthly- Dividend	10	1,85,137	1.97	3,52,642	3.75
Reliance MIP-Monthly Dividend Plan	10	-	-	15,12,836	17.05
HSBC Equity Fund -Growth	10	50,619	5.00	37,825	3.80
Pru ICICI Dynamic Plan	10	47,270	5.00	29,156	3.00
DSPBR Equity Fund	10	3,06,474	5.00	1,83,986	3.00
IDFCMoney Manager Fund- treasury Plan A-Daily Dividend	10	-	-	1,18,553	1.19
Templeton Short Term Income Plan					
- Monthly Dividend Reinvestment	10	12,142	13.80	11,335	12.86
Templeton India Low Duration Fund					
- Monthly Dividend Reinvestment	10	1,58,458	1.64	1,47,254	1.53
Templeton India Short Term Income Plan Growth	10	9,503	20.68	-	-
Birla Sun Life Dynamic Bond Fund - Retail - Growth	10	11,27,910	20.68	-	-
HDFC Cash Management Fund					
- Treasury Advantage Plan - Retail - Weekly Dividend	10	29,382	0.29	-	-
IDFC SSIF Medium Term Plan A Growth	10	13,79,698	27.00	-	-
			103.56		51.45
Provision for diminution in value of Investments			(0.14)		(0.99)
Aggregate book value of investments			103.42		50.46

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
14. INVENTORIES (at lower of cost or net realisable value)		
Raw materials	169.03	174.15
Work-in-progress	250.88	288.26
Finished goods	26.67	29.25
Stores and spares	18.91	24.12
	465.49	515.78
15. TRADE RECEIVABLES (Unsecured and considered good)		
Outstanding for a period over six months		
Considered good	22.70	16.19
Considered doubtful	41.99	24.77
	64.69	40.96
Other debts		
Considered good	231.41	253.68
Considered doubtful	7.68	13.08
	239.09	266.75
Less : Provision for doubtful debts	49.68	37.85
	254.10	269.86
16. CASH AND CASH EQUIVALENT		
Cash and stamps on hand	0.58	0.62
Balances with scheduled banks		
- In current accounts	15.53	27.94
- In Unpaid Dividend accounts	2.10	2.19
- In deposit accounts	27.80	35.93
	46.01	66.68
17. SHORT TERM LOANS AND ADVANCES (Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received (Refer Note :27 II and 43 III)	13.41	19.69
Provision for Doubtful Advances	(0.73)	(1.25)
Deposits	0.65	0.78
Provision for Doubtful Deposits	(0.65)	(0.65)
Balance with central excise authorities	8.00	4.20
	20.68	22.77
18. OTHER CURRENT ASSETS		
Interest receivable	0.53	0.04
Miscellaneous income receivable	11.30	1.09
Sales commission receivable	3.26	1.89
Sales Tax claim receivable	1.77	1.58
Prepaid expenses	6.62	6.64
	23.48	11.24

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
19. REVENUE FROM OPERATIONS		
Revenue from Sale of Products	1,782.74	2,116.47
Other Operating Revenues	40.23	51.06
Less: Excise Duty	147.96	149.40
Total	1,675.01	2,018.13
20. OTHER INCOME		
Interest Income (Gross)		
- Deposits with banks	5.49	0.95
- Others	1.49	1.82
Dividend Income		
- Non-Current Investments (from subsidiary)	9.75	3.25
- Current Investments	3.08	3.23
Net Gain/ (Loss) on Sale of Investments		
- Non-Current Investments	16.32	2.52
- Current Investments	(0.43)	(0.02)
Other non-operating income		
- Bad Debts Recovered	0.30	0.24
- Miscellaneous Income	14.95	16.82
Total	50.95	28.80
21. COST OF MATERIALS CONSUMED		
Opening Stock of Raw Material & Stores	198.27	264.89
Add: Purchases during the year	836.82	1,111.70
	1,035.09	1,376.59
Less: Closing stock of Raw Material & Stores	187.94	198.27
Total	847.15	1,178.32
22. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
(Increase)/ Decrease in inventory of Finished Goods	2.59	(16.06)
(Increase)/ Decrease in inventory of Work-in-progress	37.38	61.65
Total	39.97	45.59
23. EMPLOYEE BENEFITS EXPENSE		
Wages	38.74	42.24
Contribution to Provident and Other Funds		
-On behalf of employees	3.93	2.96
Salaries	122.88	119.69
Contribution to Provident and Other Funds		
-On behalf of employees	15.67	12.32
Staff Welfare Expenses	17.77	15.91
Total	198.99	193.13

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
24. FINANCE COSTS		
Interest Expense	0.24	5.43
Other financial charges	7.04	6.22
Total	7.28	11.65

25. OTHER EXPENSES		
Labour Charges Paid to Subcontractors	149.44	181.10
Power & Fuel	124.46	105.93
Repairs to Machinery	15.84	14.88
Repairs to Buildings	0.92	0.58
Repairs - Others	0.51	0.78
Rent	9.25	7.93
Insurance	5.01	5.20
Rates & Taxes	3.05	2.79
Royalty	10.88	10.68
Travel & Conveyance	24.97	21.45
Communication	5.73	5.55
Bad debts written off	0.45	-
Provision for doubtful debts and advances	7.08	10.83
Provision for Warranty expenses	(3.07)	2.61
Advertisement and sales promotion	6.40	1.36
Commission	0.86	(0.72)
Legal and professional fees	13.89	8.72
Freight outward	23.31	16.53
Diminution in value of Investment	(0.85)	0.09
Auditors Remuneration	1.97	1.99
Loss on sale of Fixed Assets	1.26	-
Miscellaneous Expenses	44.52	34.90
Foreign exchange loss/(gain)	(1.36)	5.80
Total	444.52	438.99

26. TRADE RECEIVABLES		
Trade receivables include the following amount due from a subsidiary Company:		
Name of the Company	Maximum Balance	
Mavag AG	4.81	-
		26.23

27. LOANS AND ADVANCES		
I LONG TERM LOAN AND ADVANCES		
Security Deposits include ₹ 30.70 million (previous year ₹ 10.70 million) of security deposits paid to Ready Mix Concrete Limited for use of three additional factory sheds taken under lease by the Company from November 1, 2012 with additional deposit of ₹ 20 million. Ready Mix Concrete Limited is a Company in which two of the directors are interested. The Company has been refunded a deposit of ₹ 0.96 million during current year by Skyline Millars Limited.		
II SHORT TERM LOAN AND ADVANCES		
a. Advances to subsidiaries		
Name of the Company	Maximum Balance	
GMM Mavag AG	4.53	4.53
		3.26

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

28. CURRENT LIABILITIES

Disclosure of trade payable under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". Amount overdue as on March 31, 2013 to Micro, Small and Medium Enterprises on account of principal amount together with interest, aggregate to ₹ 5.50 Millions (previous - ₹ 0.55 Millions)

The information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors.

29. PROVISIONS

₹ in Millions

	Current Year		Previous Year	
	Warranty	Compensated absences	Warranty	Compensated absences
At Beginning of the year	9.25	6.31	6.63	5.76
Add: Provision made during the year	0.87	(5.25)	3.31	4.37
	10.12	1.06	9.94	10.13
Less: Utilised during the year	3.93	7.12	0.69	3.81
At the end of the year	6.19	(6.06)	9.25	6.32

30. 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 72 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 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
Payable within one year	8.29	4.97
Payable later than one year and not later than five years	26.41	2.25
Payable above five years	4.05	-

31. CONTINGENT LIABILITIES AND COMMITMENTS

	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
1) Contingent Liabilities		
a) Claim against the Company not acknowledged as debts		
i) Dispute relating to Cenvat and Sales tax	8.32	5.28
ii) Dispute relating to tax demand	15.49	0.49
b) Guarantee issued by bank	239.14	212.79
c) Other Contingent Liability	-	-
2) Commitments		
a) "Estimated amount of contracts remaining to be executed on capital account and not provided for"	7.09	9.89

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

32. INVENTORIES

₹ in Millions

Items	Units	As at 31.03.13		As at 31.03.12	
		Qty	Value	Qty	Value
1. Enameled acid, alkali and chemical equipment	"Litres (in '000)"	69.07	14.97	45	13.62
2. Mild steel and stainless steel equipment	MT	42.85	10.69	60	11.03
3. Fusion seamed products and Isostatic moulded products					
- Carbon steel PTFE pipes	Meters	-	-	-	-
- Dip pipes and sparger	Nos.	-	-	-	-
4. Others			1.01		4.60
Total			26.67		29.25

33. SALES

₹ in Millions

Items	Units	Year ended 31.03.13		Year ended 31.03.12	
		Qty	Value	Qty	Value
1. Enameled acid & alkali and chemical equipment	"Litres (in '000)"	4,246	1,049.07	4,658	1,041.42
2. Mild steel and stainless steel equipment	MT	371	465.28	511	789.36
3. Fusion seamed products and Isostatic moulded products					
- Dip pipes and sparger	Nos.	5	0.45	7	0.52
4. Others			160.21		186.83
Total			1,675.01		2,018.13

34. RAW MATERIALS AND COMPONENTS CONSUMED

₹ in Millions

Items	Units	Year ended 31.03.13		Year ended 31.03.12	
		Qty	Value	Qty	Value
Mild Steel	MT	5,733	295.90	5,797	353.76
Stainless Steel, Brass and Copper	MT	371	75.33	511	108.45
Pipes	Meters	71,067	36.99	2,80,383	92.15
Teflon Powder	KG	10,588	10.42	7,865	9.45
Motors, Gears, Mechanical Seals	No	3,036	119.17	3,558	147.77
Others			309.34		466.74
Total			847.15		1,178.32

35. IMPORTED AND INDIGENOUS RAW MATERIALS (INCLUDING COMPONENTS) AND SPARES CONSUMED.

₹ in Millions

Items	Year ended 31.03.13		Year ended 31.03.12	
	Percent	Value	Percent	Value
Raw materials (including components)				
- Imported (at landed cost)	4.7%	35.68	5.9%	63.43
- Indigenous	95.3%	727.58	94.1%	1,006.75
	100.0%	763.26	100.0%	1,070.18
Stores and spare parts				
- Imported (at landed cost)	0.3%	0.22	0.4%	0.40
- Indigenous	99.7%	83.67	99.6%	107.74
	100.0%	83.89	100.0%	108.14

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Year ended 31.03.13 ₹ in Millions	Year ended 31.03.12 ₹ in Millions
36. VALUE OF IMPORTS ON CIF BASIS		
Raw material and components	65.68	123.15
Stores and spares	5.71	8.55
	<u>71.39</u>	<u>131.70</u>
37. EXPENDITURE IN FOREIGN CURRENCY		
Royalty	10.88	10.68
Foreign travel	3.28	3.83
Technical Services, Consultancy, Commission, etc.	7.54	4.10
	<u>21.70</u>	<u>18.61</u>
38. DIVIDEND REMITTED IN FOREIGN CURRENCY		
Final Dividend for 2011-12 on 74,54,400 Shares of ₹ 2/- each	5.22	-
1st Interim Dividend for 2012-13 on 74,54,400 Shares of ₹ 2/- each.	5.22	-
2nd Interim Dividend for 2012-13 on 74,54,400 Shares of ₹ 2/- each.	5.22	-
3rd Interim Dividend for 2012-13 on 74,54,400 Shares of ₹ 2/- each.	5.22	-
4th Interim Dividend for 2010-11 on 74,54,400 Shares of ₹ 2/- each.	-	5.22
1st Interim Dividend for 2011-12 on 74,54,400 Shares of ₹ 2/- each.	-	5.22
2nd Interim Dividend for 2011-12 on 74,54,400 Shares of ₹ 2/- each.	-	5.22
3rd Interim Dividend for 2011-12 on 74,54,400 Shares of ₹ 2/- each.	-	5.22
Number of (non-resident) shareholders	1	1
39. EARNINGS IN FOREIGN CURRENCY		
FOB value exports	102.56	154.38
Commission	11.33	8.47
	<u>113.89</u>	<u>162.85</u>
40. AUDITORS REMUNERATION		
Audit fees	1.10	1.10
Tax audit fees	0.13	0.13
Other services		
– Certification	0.15	0.15
– Limited review, consultation and management services	0.50	0.50
Reimbursement of out-of-pocket expenses	0.09	0.11
	<u>1.97</u>	<u>1.99</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
41. EMPLOYEE BENEFITS		
The amounts recognised in the Company's financial statements as at the year end are as under:		
Gratuity:		
a. Assumptions :		
Discount Rate	8.25%	8.3%
Rate of Return on Plan Assets	8.70%	8.3%
Salary Escalation	5.0%	6.0%
Mortality	LIC 1994-96 Ultimate Table	LIC 1994-96 Ultimate Table
b. Table showing changes in Benefit Obligation:		
Liability at the beginning of the year	47.45	38.51
Interest cost	4.15	3.18
Current service cost	2.02	3.00
Benefit paid	(5.36)	(2.55)
Actuarial (gain)/loss on obligations	3.47	5.31
Liability at the end of the year	51.72	47.45
c. Change in Plan Assets:		
Fair value of Plan Assets at the beginning of the year	44.72	43.35
Expected Return on Plan Assets	3.91	3.58
Contributions	2.76	-
Benefit Paid	(5.36)	(2.55)
Actuarial gain / (loss) on Plan Assets	0.19	0.34
Fair value of Plan Assets at the end of the year	46.22	44.72
Total Actuarial Gain / (Loss) to be recognised	(3.28)	(4.97)
d. Actual Return on Plan Assets:		
Expected Return on Plan Assets	3.91	3.58
Actuarial gain / (loss) on Plan Assets	0.19	0.34
Actual Return on Plan Assets	4.10	3.92
e. Amount Recognised in the Balance Sheet:		
Liability at the end of the year	51.72	47.44
Fair value of Plan Assets at the end of the year	46.22	44.72
Difference	(5.50)	(2.73)
Amount Recognised in the Balance Sheet	(5.50)	(2.73)
f. Expenses Recognised in the Income Statement:		
Current Service cost	2.02	3.00
Interest Cost	4.15	3.18
Expected return on Plan Assets	(3.91)	(3.58)
Net Actuarial (gain) / loss to be recognised	3.28	4.97
Expense Recognised in Profit & Loss	5.53	7.58
g. Balance Sheet Reconciliation:		
Opening Net Liability	2.73	(4.85)
Expenses as above	5.53	7.58
Employers Contribution	(2.76)	-
Amount Recognised in Balance Sheet	5.50	2.73
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.		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Year Ended 31.03.13 ₹ in Millions	Year Ended 31.03.12 ₹ in Millions
42. BASIC AND DILUTED EARNING PER SHARE		
a) Net profit for the year available to equity shareholders after Prior Period Tax Adjustment in ₹ Millions'	96.66	91.41
Weighted average number of Equity Shares during the year	1,46,17,500	1,46,17,500
b) Face value of Equity Share in ₹	2	2
c) Basic and diluted earnings per share (₹)	6.61	6.25

43. RELATED PARTY DISCLOSURES	
(I) List of Related parties	
(a) Parties where control exists:	
(i) Ultimate Holding Company:	: Robbins & Myers Inc. USA (Upto 20th February 2013) National Oilwell Varco Inc. USA (from 21st February 2013)
(ii) Holding Company:	: Pfaudler Inc. USA
(iii) Subsidiary Companies:	: Karamsad Holdings Ltd. Karamsad Investments Ltd. GMM Mavag AG Mavag AG
(b) Related parties with whom transactions have taken place during the year:	
(i) 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 Robbins & Myers DE Mexico, SA.DECV Robbins & Myers Inc.(Upto 20th February 2013)
(ii) Key management personnel	: Mr. Ashok J. Patel – Managing Director Mr. Tarak A. Patel – Executive Director Mr. Ashok C. Pillai – Chief Operating Officer
(iii) 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)
(iv) Enterprises over which persons in (b)(ii) or (b)(iii) are able to exercise significant influence.	: Skyline Millars Ltd. Ready Mix Concrete Ltd.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

43. RELATED PARTY DISCLOSURES (Continued)

(II) Transactions with related parties

Transaction	₹ in Millions													
	Ultimate Holding Company	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Key Mgmt. Personnel	Relative of Key Mgmt. Personnel	Other Related Parties							
	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12
Purchase of goods	-	-	0.68	-	9.23	22.74	16.73	21.70	-	-	-	-	-	2.29
Sale of goods	-	-	-	-	6.12	49.64	18.93	6.16	-	-	-	-	-	-
Receiving of services	-	-	0.30	-	0.38	-	-	-	-	-	-	-	20.81	18.77
Royalty	-	-	10.88	10.68	-	-	-	-	-	-	-	-	-	-
Lease Rent paid	-	-	-	-	-	-	-	-	-	-	-	-	6.62	7.21
Remuneration paid	-	-	-	-	-	-	-	-	19.98	17.11	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	0.04	0.04	-	-	-	-
Dividend paid	-	-	20.87	20.87	-	-	-	-	3.32	3.39	0.84	-	-	-
Dividend Received	-	-	-	-	9.75	3.25	-	-	-	-	-	-	-	-
Advance given	-	-	-	-	1.27	2.46	-	-	-	-	-	-	-	-
Loan refund to company	-	-	-	-	-	6.50	-	-	0.30	0.30	-	-	-	-
Commission received on services provided	11.33	8.47	-	-	-	-	-	-	-	-	-	-	-	-
Balance outstanding as on March 31, 2013														
Payables	-	-	32.61	23.37	1.43	0.14	9.67	10.36	-	-	-	-	2.74	3.74
Receivables	3.26	1.89	-	-	4.53	29.49	11.29	4.73	0.32	0.63	-	-	-	-
Deposit outstanding	-	-	-	-	-	-	-	-	-	-	-	-	30.70	11.66

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

Nature of transactions		Year ended 31.03.13 ₹ in Millions	Year ended 31.03.12 ₹ in Millions
Purchase of goods	Mavag AG	9.23	22.74
	Pfaudler Werke GMBH	7.77	21.40
	Skyline Millars Ltd.	-	2.29
	Glass Steel & parts Services	0.12	0.23
	Pfaudler Balfour Ltd.	-	0.66
	Tycon Technoglass	8.72	-
Sale of goods	Mavag AG	6.12	49.64
	Pfaudler Werke GMBH	2.85	3.75
	Pfaudler Balfour Ltd.	5.58	-
	Suzoh Pfaudler	2.68	2.40
	Tycon Technoglass	6.40	-
Receiving Services	Ready Mix Concrete Ltd.	17.00	15.46
	Skyline Millars Ltd.	3.81	3.31
Lease rent paid	Skyline Millars Ltd.	2.44	4.18
	Ready Mix Concrete Ltd.	4.18	1.68
Royalty	Pfaudler Inc.	10.88	10.68
Remuneration paid	Mr. Ashok J. Patel	11.20	10.00
	Mr. Ashok Pillai	5.26	4.34
	Mr. Tarak A. Patel	3.50	2.78
Dividend Received	Karamsad Investments Ltd.	9.75	3.25
Dividend paid	Pfaudler Inc.	20.87	20.87
	Mr. Ashok J. Patel	2.82	1.42
Commission on services provided	Robbins & Myers Inc.	11.33	8.47
Loan refund to company	Karamsad Investments Ltd.	-	6.50
Advance given	GMM Mavag AG	1.27	2.46
Balances outstanding as on March 31, 2013			
Payables	Pfaudler Inc.	32.61	23.37
	Skyline Millars Ltd.	0.77	2.24
	Ready Mix Concrete Ltd.	1.96	1.49
	Mavag AG	1.43	0.14
	Pfaudler Werke GMBH	0.81	10.36
	Tycon Technoglass	8.72	-
	Glass Steel & parts Services	0.12	-
	Glasslined Equipment Co Ltd.	0.02	-
Receivables	GMM Mavag AG	4.53	29.49
	Robbins & Myers Inc.	3.26	1.89
	Pfaudler Werke GMBH	1.03	3.75
	Suzoh Pfaudler	1.63	0.97
	Ashok Pillai	0.33	0.63
	Tycon Technoglass	3.06	-
	Pfaudler Balfour Ltd.	5.58	-
Deposit outstanding	Ready Mix Concrete Ltd.	30.70	10.70
	Skyline Millars Ltd.	-	0.96

44. SEGMENT REPORTING

(a) Primary segment reporting by business segment

₹ in Millions

Particulars	Chemical Processing Equipment		Mixing Systems		Filtration/Separation Equipment & Others		Total
Year Ended	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13
Revenue :							
Total External Sales	1,428.07	1,666.38	113.49	199.63	133.45	152.12	1,675.01
Segment Results:							
Profit/(Loss) Before Tax and Interest	127.53	147.59	9.42	14.42	6.24	5.07	143.19
Unallocated Expense (Net)	-	-	-	-	-	-	3.79
Less: Interest	-	-	-	-	-	-	7.28
Profit/(Loss) Before Tax	-	-	-	-	-	-	132.12
Taxes	-	-	-	-	-	-	35.46
Net Profit After Tax	-	-	-	-	-	-	96.66
Segment Assets	977.16	993.76	43.43	75.35	98.17	94.00	1,163.11
Unallocated Assets	-	-	-	-	-	-	491.89
Total Assets	-	-	-	-	-	-	1,615.82
Segment Liabilities	394.41	421.38	34.11	54.78	41.62	48.47	524.63
Unallocated Liabilities	-	-	-	-	-	-	65.93
Total Liabilities	-	-	-	-	-	-	590.56
Capital Expenditure	89.72	74.83	-	-	1.68	-	74.83
Unallocated Capital Expenditure	-	-	-	-	-	-	38.41
Depreciation	48.66	42.62	0.56	0.49	2.24	2.06	45.17
Unallocated Depreciation	-	-	-	-	-	-	3.93

(b) Secondary segment reporting by Geographical Segment:

₹ in Millions

Particulars	Within India		Outside India		Total
Year Ended	31.03.13	31.03.12	31.03.13	31.03.12	31.03.12
Revenue	1,572.45	1,863.75	102.56	154.38	2,018.13

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".

45. HEDGING CONTRACTS

Un-hedged foreign currency exposures as at the year end:

	As at 31.03.13 ₹ in Millions		As at 31.03.12 ₹ in Millions	
	Receivable	Payable	Receivable	Payable
US Dollar	0.12	-	0.69	0.01
Euro	0.24	0.18	0.10	0.17
GBP	0.07	0.01	-	0.02
CHF	0.08	0.02	0.04	0.01
JPY	-	0.45	-	-
AUD	-	-	-	-

46. The shareholders at the Extra Ordinary General Meeting held on March 11, 2008 appointed Mr. Ashok Patel as the Managing Director of the Company for a period of five years from January 1, 2007 to December 31, 2012. On the recommendation of the Remuneration Committee, the Board of Directors in their meeting held on November 5, 2012, appointed Mr. Ashok Patel as the Managing Director of the Company for a further period of three years effective from January 1, 2013. This appointment is subject to the shareholders' approval in the forthcoming Annual General Meeting.

FIVE YEAR FINANCIAL HIGHLIGHTS

₹ in Millions

Description	2012-13	2011-12	2010-11	2009-10	2008-09
OPERATING RESULTS					
Income from Operations	1,675.01	2,018.13	1,440.21	1,544.78	1,466.81
Other Income	50.95	28.80	26.16	27.02	35.22
Profit before Depreciation, Interest & Tax	195.33	190.91	205.84	207.15	203.18
Interest	7.28	11.65	8.81	6.56	13.05
Depreciation	55.93	49.10	34.74	33.34	32.61
Profit before Tax	132.12	130.16	162.29	167.25	157.52
Profit after Tax	96.66	91.41	110.18	114.43	102.27
Dividends	40.93	40.93	40.93	40.93	40.93
Dividend per share (₹)	2.80	2.80	2.80	2.80	2.80
Earning per share (₹)	6.61	6.25	7.54	7.56	7.00
Book value per share (₹)	73.61	70.14	67.19	62.90	58.62
FINANCIAL SUMMARY					
ASSETS EMPLOYED					
Fixed Assets (net)	421.79	409.68	346.09	288.25	299.64
Investments	336.29	295.87	283.24	119.48	111.98
Net Working Capital	317.94	319.71	396.12	511.72	445.14
Total	1,076.02	1,025.26	1,025.45	919.45	856.76
FINANCED BY					
Share Capital	29.23	29.23	29.23	29.23	29.23
Reserves & Surplus	1,046.79	996.03	952.51	890.22	827.53
Loan Funds	-	-	43.71	-	-
Total	1,076.02	1,025.26	1,025.45	919.45	856.76

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GMM PFAUDLER LIMITED

Report on the Consolidated Financial Statements

We have audited the attached Consolidated Balance Sheet of GMM Pfaudler Limited and its subsidiaries as at March 31, 2013 and the Consolidated Statement of Profit & Loss and Consolidated Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements 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. This responsibility includes the design, implementation, maintenance of internal control 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We did not audit the financial statements of the subsidiary companies, whose financial statements reflect the group's share of total assets of ₹ 578.29 million as at March 31, 2013; the group's share of total revenues of ₹ 477.98 million and net cash inflows amounting to of ₹ 139.36 million for the year then ended on that date. These financial statements have been audited / subjected to a limited statutory examination as per applicable local laws by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, on the basis of the separate audited financial statements of GMM Pfaudler Limited and its subsidiaries included in the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- ii) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- iii) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants
Firm Registration No. 104607W

Vinayak M. Padwal
Partner
M. No. F 49639
Mumbai; June 3, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

	Notes	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	29.23	29.23
Reserves and Surplus	4	1,163.59	1,114.56
		1,192.82	1,143.79
Non-current liabilities			
Deferred tax liabilities(Net)	5	52.67	57.46
Other Long term liabilities	6	0.19	0.29
		52.86	57.75
Current Liabilities			
Trade payables	7	238.60	239.05
Other current liabilities	8	447.44	356.05
Short term provisions	9	21.48	35.38
		707.52	630.48
Total		1,953.20	1,832.02
II. ASSETS			
Non-current assets			
Goodwill on Consolidation		101.82	101.92
Fixed assets	10		
Tangible assets		411.33	398.92
Intangible assets		36.29	17.86
Capital work-in-progress		8.81	28.84
Intangible assets under Development		-	9.57
Non-current investments	11	12.88	34.36
Long term loans and advances	12	42.83	24.02
		512.14	513.57
Current assets			
Current investments	13	103.42	50.46
Inventories	14	612.75	639.83
Trade receivables	15	290.37	311.16
Cash and cash equivalents	16	290.91	172.21
Short term loans and advances	17	16.12	22.77
Other current assets	18	25.67	20.10
		1,339.24	1,216.53
Total		1,953.20	1,832.02
Summary of Significant Accounting Policies	2		

The accompanying Notes 1 and 2 form an integral part of the Balance Sheet.

As per our report attached.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Vinayak M. Padwal
Partner

M. No. F 49639

Mumbai, June 3, 2013

For and on behalf of the Board

P. Krishnamurthy	Chairman
Ashok J. Patel	Managing Director
Tarak A. Patel	Executive Director
Michael C. Reed	Director
Dr. S. Sivaram	Director
A. N. Mohanty	Financial Controller

Mumbai, May 30, 2013

Mittal Mehta Company Secretary

Mumbai, June 3, 2013

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	Notes	Year ended 31.03.13 ₹ in Millions	Year ended 31.03.12 ₹ in Millions
INCOME :			
Revenue from operations	19	2,276.89	2,673.76
Less : Excise duty		147.96	149.40
		2,128.93	2,524.36
Other Income	20	49.90	36.36
Total		2,178.83	2,560.72
EXPENSES :			
Cost of materials consumed	21	1,039.49	1,383.86
Change in inventories of finished goods and work-in-progress	22	4.27	42.20
Employee benefits expense	23	418.36	420.24
Finance costs	24	7.28	11.65
Depreciation	10	72.44	63.75
Other expenses	25	502.83	498.29
Total		2,044.67	2,419.99
Profit before tax		134.16	140.73
TAX EXPENSES :			
Current tax		42.08	26.67
Deferred tax		(4.78)	14.72
Profit after tax		96.86	99.34
EARNINGS PER EQUITY SHARE :			
Basic		6.63	6.80
Diluted		6.63	6.80

The accompanying Notes 1 and 2 form an integral part Statement of Profit and Loss.

As per our report attached.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Vinayak M. Padwal
Partner

M. No. F 49639

Mumbai, June 3, 2013

For and on behalf of the Board

P. Krishnamurthy	Chairman
Ashok J. Patel	Managing Director
Tarak A. Patel	Executive Director
Michael C. Reed	Director
Dr. S. Sivaram	Director
A. N. Mohanty	Financial Controller

Mumbai, May 30, 2013

Mittal Mehta Company Secretary

Mumbai, June 3, 2013

STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2013

	Year ended 31.03.13 ₹ in Millions	Year ended 31.03.12 ₹ in Millions
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	134.16	140.73
Depreciation	72.44	63.75
Net (gain) / loss on sale & discard of fixed assets	1.26	-
Net (gain) / loss on sale of Current Investment	0.43	0.02
Net (gain) / loss on sale of Non-Current Investment	(23.74)	(11.64)
Interest income	(7.48)	(2.77)
Interest expense	7.28	11.65
Dividend Income	(3.75)	(3.23)
Provision for doubtful debts, liquidated damages and advances	12.04	16.51
Provision for diminution in value of current investments	(0.85)	0.09
Unrealised foreign exchange fluctuation loss/(gain)	0.57	11.00
Operating profit before working capital changes	192.35	226.11
Adjustments for :		
Increase/ (Decrease) in Inventories	26.84	109.24
(Increase)/ Decrease in Trade receivable, Short term loan & advances and other assets	13.94	17.73
Increase/ (Decrease) in Trade payables, other current liabilities & Provisions	53.68	(11.14)
Cash generated from operations	286.82	341.94
Direct Taxes paid	(42.17)	(22.51)
Net cash from/ (used in) operating activities	244.65	319.43
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets	(75.95)	(116.16)
Proceeds from sale of fixed assets	1.03	0.55
Purchase of current investments	(101.14)	(25.57)
Purchase of non-current investments	-	6.98
Proceeds from sale of current investments	48.57	19.78
Proceeds from sale of non-current investments	45.23	3.82
Interest received	7.48	2.77
Dividend received	(6.00)	3.23
Net cash used in investing activities	(80.78)	(104.60)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(53.83)
Short term loans	-	-
Interest paid	(7.28)	(11.65)
Dividend paid	(31.26)	(40.70)
Tax on distributed profits	(6.63)	(7.48)
Net cash used in financing activities	(45.17)	(113.66)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	118.70	101.17
Cash and Cash equivalents, beginning of the year	172.21	71.04
Cash and Cash equivalents, end of the year	290.91	172.21
Note: 1 Cash and Cash equivalents as per Balance Sheet:		
Cash on hand	3.81	2.58
Balances with banks	287.10	169.63
Total	290.91	172.21
2 The company has been sanctioned credit facilities for working capital of ₹ 200 million, of which facilities utilised as on March 31, 2013 were ₹ Nil.		

As per our report attached.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Vinayak M. Padwal
Partner

M. No. F 49639

Mumbai, June 3, 2013

For and on behalf of the Board

P. Krishnamurthy	Chairman
Ashok J. Patel	Managing Director
Tarak A. Patel	Executive Director
Michael C. Reed	Director
Dr. S. Sivaram	Director
A. N. Mohanty	Financial Controller

Mumbai, May 30, 2013

Mittal Mehta Company Secretary

Mumbai, June 3, 2013

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1. BASIS OF CONSOLIDATION:

The consolidated financial statements relate to GMM Pfaunder 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, 2013.

2. Significant Accounting Policies

a) Accounting convention

The financial statements are prepared under the historical cost convention using the accrual method of accounting, in accordance with generally accepted accounting principles in India, the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956, as applicable.

b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affects 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.

c) 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.

Assets acquired under finance lease are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments as at the inception of the lease.

Depreciation is provided pro rata to the period of use, on the straight line method at the rates in compliance with specified in Schedule XIV to the Companies Act, 1956 in respect of the assets situated in India and on the written down value method at the rates prescribed under Swiss law in respect of the assets of the foreign subsidiaries. Moreover, the fixed assets of the foreign subsidiary have been consolidated at the written down value as on the date of acquisition as the particulars of the original cost and accumulated depreciation are not available. The value of fixed assets in the foreign subsidiary not being significant, there is no material impact on account of depreciation on the consolidated financial statements.

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

d) Asset Impairment

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value based on appropriate discount rates.

e) Investments

- Investments are classified into long term and current investments.
- Long-term investments are carried at cost. Provision for diminution, if any. In the value of each long-term investment is made to recognise 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.

f) Inventories

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

g) 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 are translated at the period end exchange rates. Exchange gains / losses are recognized in the profit and loss account. 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.

The two foreign subsidiaries are treated as non-integral foreign operations for the purpose of consolidation. The revenue items of the said subsidiaries are translated at the average rate prevailing during the year and all the assets and liabilities are translated at the rates prevailing at the end of the year. Exchange gains / losses arising on translation are recognized under Foreign Currency Translation Reserve.

h) 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 is 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.

i) Product Warranty Expenses

Provision has been 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.

j) 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 Profit and Loss account 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.

Actuarial gains and losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognized in the Profit and Loss account for the year as income or expense.

k) Provisions and Contingent Liabilities

Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

l) Taxation

Tax expense comprise of both current and deferred tax.

Provision for current income tax is made on the basis of assessable income under the Income Tax Act, 1961.

Deferred income tax arising on account of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for by applying the income tax rates and laws enacted or substantially enacted on the Balance Sheet date. Deferred tax assets, other than un-absorbed tax losses and tax depreciation, subject to the consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

m) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
3. SHARE CAPITAL		
Authorised		
25,000,000 (PY 25,000,000) Equity shares of ₹ 2/- each	50.00	50.00
Issued, Subscribed and Paid-up		
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:	31.03.13	31.03.12
	In Numbers ₹ In Millions	In Numbers ₹ in Millions
At the Beginning of the year	14,617,500 29.23	14,617,500 29.23
Issued during the year	- -	- -
Outstanding as at the end of the year	14,617,500 29.23	14,617,500 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	31.03.13	31.03.12
	In Numbers % holding	In Numbers % holding
Pfaudler Inc (Holding Company)	7,454,400 50.99%	7,454,400 50.99%
Millars Machinery Co. Pvt. Ltd.	1,625,595 11.12%	1,625,595 11.12%
4. RESERVES AND SURPLUS		
Capital Reserve	0.02	0.02
Cash Subsidy Reserve	0.70	0.70
Share Premium Account	149.28	149.28
Foreign Exchange Translation Reserve	93.28	93.63
General Reserve:		
Balance as per last Balance Sheet	186.55	176.64
Add: Transfer from Profit and Loss account	11.01	9.91
	197.56	186.55
Profit and Loss Account:		
Balance as per last Balance Sheet	684.38	643.38
Add/ (Less): Net Profit/(Loss) for the year	96.86	99.34
(Less): Interim Dividend	(30.70)	(30.70)
(Less): Final Dividend	(10.23)	(10.23)
(Less): Tax on distributed profits	(6.55)	(7.48)
(Less): Transfer to General Reserve	(11.01)	(9.92)
	722.75	684.38
	1,163.59	1,114.56

	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
5. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liabilities		
Depreciation	57.53	60.12
Warranty Provision	6.18	6.18
Lease Assets	0.00	0.02
	63.70	66.32
Deferred Tax Assets		
Technical Know-how Fees	0.06	0.08
Provision for Doubtful Debts/ Advances	10.93	8.46
Provision for Diminution in Value of Investments	0.04	0.32
	11.03	8.86
Net Deferred Tax Liability	52.67	57.46
6. OTHER LONG TERM LIABILITIES		
Other Liabilities	0.19	0.29
	0.19	0.29
7. TRADE PAYABLES		
- Dues to Micro, Small and Medium Enterprises	5.50	0.55
- Dues to other Creditors	233.10	238.50
	238.60	239.05
8. OTHER CURRENT LIABILITIES		
Advances from customers	353.16	254.96
Unclaimed dividend	2.10	2.19
Other liabilities	92.18	98.90
	447.44	356.05
9. SHORT TERM PROVISIONS		
Provision for unexpired warranty	10.10	14.15
Provision for final dividend	10.23	10.23
Provision for gratuity	5.50	2.73
Provision for income tax	0.06	0.22
Provision for leave encashment	(6.06)	6.31
Provision for tax on distributed profits	1.65	1.74
	21.48	35.38

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 10

FIXED ASSETS

₹ in Millions

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 01.04.12	Additions	Deductions	As on 31.03.2013	Upto 01.04.2012	For the Year Deductions	Upto 31.03.13	As on 31.03.13
Tangible Assets:								
Freehold land	2.32	-	-	2.32	-	-	-	2.32
Leasehold land	1.15	-	-	1.15	0.46	0.01	0.47	0.69
Lease improvement	10.92	1.68	-	12.60	6.61	2.03	8.64	4.31
Buildings	134.25	36.45	-	170.70	41.11	3.69	44.80	93.14
Plant & machinery	614.90	33.04	22.03	625.92	348.79	52.32	380.40	266.11
Furniture & Fixtures	25.31	0.69	0.18	25.82	15.06	0.99	15.99	10.24
Vehicles	43.60	7.89	3.54	47.95	21.50	5.86	24.84	22.10
	832.45	79.76	25.75	886.46	433.52	64.90	475.14	398.92
Intangible Assets:								
Computer software	43.40	25.97	8.14	61.23	25.55	7.54	24.94	17.86
Total	875.85	105.73	33.89	947.70	459.07	72.43	500.08	416.78
Previous Year Total	731.77	146.00	1.92	875.85	396.37	63.75	459.08	416.77
Assets under development								
Tangible								8.81
Intangible								-
								456.43
								455.20

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 11

NON CURRENT INVESTMENTS

₹ in Millions

	Face value	Number As At 31.03.13	Cost As At 31.03.13	Number As At 31.03.12	Cost As At 31.03.12
1. Non Current Investments (Fully paid) (Valued at cost unless stated otherwise)					
(a) Trade Investments					
Equity Instrument (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	-	50	-
Clariant Chemical India Ltd.	10	50	-	50	-
Dharamshi Morarji Chemicals Co. Ltd.	10	100	-	100	-
Excel Crop Care Ltd.	5	112	-	112	-
Excel Industries Ltd.	5	112	0.01	112	0.01
Futura Polyester Ltd.	10	100	-	100	-
Glaxo Smithkline Pharmaceuticals Ltd.	10	122	0.01	122	0.01
GHCL Ltd.	10	100	-	100	-
Hico Products Ltd.	10	625	0.01	625	0.01
IDI Ltd.	10	66	-	66	-
Innovsynth Investments Ltd.	10	45	-	45	-
Kansai Nerolac Paints Ltd.	10	666	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	-	399	-
Piramal Life Sciences Ltd.	10	39	-	39	-
Piramal Glass Ltd.	10	19	-	19	-
Peninsula Land Ltd.	2	1,040	-	1,040	-
Pfizer Ltd.	10	135	0.01	135	0.01
Shubh Shanti Services Ltd.	10	25	-	25	-
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	50	0.01	50	0.01
			0.52		0.52
(b) Other Investments					
Equity Shares (Quoted)					
Skyline Millars Ltd.	1	14,06,000	1.93	14,06,000	1.93
Nile Ltd.	10	65	0.01	4,06,353	20.04
			1.94		21.97
(c) Government Security (Unquoted)					
Indian Railway Finance Corporation Ltd.	1000	4,350	4.35	4,350	4.35
			4.35		4.35
(d) Deposit with Bank					
Kotak Mahindra Bank			6.05		7.50
			6.05		7.50
(e) 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
Total Investments			12.88		34.36
Note :					
Aggregate book value of investments					
Quoted			2.46		22.49
Unquoted			10.42		11.87
			12.88		34.36
Market value of quoted investments			13.82		59.22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
12. LONG TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Capital Advances	3.20	3.39
Security Deposits (Refer Note No .26I and 32 III)	39.61	20.54
Advance payment of taxes	0.02	0.09
	42.83	24.02

13. CURRENT INVESTMENTS					
		Number	Cost	Number	Cost
	Face	As At	As At	As At	As At
	value	31.03.2013	31.03.2013	31.03.2012	31.03.2012
Mutual Funds	Rupees	₹ in Millions		₹ in Millions	
(Unquoted)					
HSBC Income Fund Short Term Dividend	10	3,514	0.05	1,11,287	1.21
23 ICICI Prudential short term Plan - Dividend Reinvest	10	2,17,538	2.45	3,66,984	4.06
DSP BlackRock Short Term Fund Monthly - Dividend	10	1,85,137	1.97	3,52,642	3.75
Reliance MIP-Monthly Dividend Plan	10	-	-	15,12,836	17.05
HSBC Equity Fund - Growth	10	50,619	5.00	37,825	3.80
Pru ICICI Dynamic Plan	10	47,270	5.00	29,156	3.00
DSP BlackRock Equity Fund	10	3,06,474	5.00	1,83,986	3.00
IDFC Money Manager Fund- treasury Plan A-Daily Dividend	10	-	-	1,18,553	1.19
Templeton Short Term Income Plan - Monthly Dividend Reinvestment	10	12,142	13.80	11,335	12.86
Templeton India Low Duration Fund - Monthly Dividend Reinvestment	10	1,58,458	1.64	1,47,254	1.53
Templeton India Short Term Income Plan Growth	10	9,503	20.68	-	-
Birla Sun Life Dynamic Bond Fund - Retail - Growth	10	11,27,910	20.68	-	-
HDFC Cash Management Fund - Treasury Advantage Plan - Retail - Weekly Dividend	10	29,382	0.29	-	-
IDFC SSIF Medium Term Plan A Growth	10	13,79,698	27.00	-	-
			103.56		51.45
Provision for diminution in value of Investments			(0.14)		(0.99)
Aggregate book value of investments			103.42		50.46

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
14. INVENTORIES (at lower of cost and or realisable value)		
Raw materials	215.33	228.29
Work-in-progress	351.84	358.17
Finished goods	26.67	29.25
Stores and spares	18.91	24.12
	612.75	639.83
15. TRADE RECEIVABLES (Unsecured and considered good)		
Outstanding for a period over six months		
Considered good	22.70	16.19
Considered doubtful	44.95	27.54
	67.65	43.73
Other debts		
Considered good	267.69	294.97
Considered doubtful	7.68	13.08
	275.37	308.05
Less : Provision for doubtful debts	52.65	40.62
	290.37	311.16
16. CASH AND CASH EQUIVALENT		
Cash and stamps in hand	1.94	2.58
Balances with scheduled banks		
- In current accounts	241.52	127.47
- In Unpaid dividend accounts	2.10	2.19
- In deposit accounts	45.35	39.98
	290.91	172.21
17. SHORT TERM LOANS AND ADVANCES (Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received (Refer Note No .32 III)	8.85	19.69
Provision for Doubtful Advances	(0.73)	(1.25)
Deposits	0.65	0.79
Provision for Doubtful Deposits	(0.65)	(0.65)
Balance with central excise authorities	8.00	4.20
	16.12	22.77
18. OTHER CURRENT ASSETS		
Interest receivable	0.53	0.15
Miscellaneous income receivable	1.77	1.09
Sales commission receivable	3.26	1.90
Sales Tax claim receivable	1.77	1.58
Prepaid expenses	6.62	6.64
Other current asset	11.72	8.74
	25.67	20.10

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Year ended 31.03.13 ₹ in Millions	Year ended 31.03.12 ₹ in Millions
19. REVENUE FROM OPERATIONS		
Revenue from Sale of Products	2,235.70	2,620.73
Other Operating Revenues	41.19	53.03
Less: Excise Duty	147.96	149.40
Total	2,128.93	2,524.36
20. OTHER INCOME		
Interest Income (Gross)		
- Deposits with banks	5.85	1.09
- Others	1.49	1.82
Dividend Income		
- Non-Current Investments	0.13	0.45
- Current Investments	3.08	3.23
Net Gain/ (Loss) on Sale of Investments		
- Non-Current Investments	23.74	11.64
- Current Investments	(0.43)	(0.02)
Other non-operating income		
- Bad Debts Recovered	0.30	0.24
- Miscellaneous Income	15.74	17.91
Total	49.90	36.36
21. COST OF MATERIALS CONSUMED		
Opening Stock of Raw Material & Stores	233.45	294.07
Add: Purchases during the year	1,040.64	1,323.24
	1,274.09	1,617.31
Less: Closing stock of Raw Material & Stores	234.60	233.45
Total	1,039.49	1,383.86
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS		
(Increase)/ Decrease in inventory of Finished Goods	2.59	(19.46)
(Increase)/ Decrease in inventory of Work-in-progress	1.68	61.65
Total	4.27	42.20
23. EMPLOYEE BENEFITS EXPENSE		
Wages	224.68	235.78
Contribution to Provident and Other Funds		
- On behalf of employees	37.36	36.53
Salaries	122.88	119.70
Contribution to Provident and Other Funds		
- On behalf of employees	15.67	12.32
Staff Welfare Expenses	17.77	15.91
Total	418.36	420.24

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Year ended 31.03.13 ₹ in Millions	Year ended 31.03.12 ₹ in Millions
24. FINANCE COSTS		
Interest Expense	0.24	5.42
Other financial Charges	7.04	6.22
Total	7.28	11.65

25. OTHER EXPENSES		
Labour Charges Paid to Subcontractors	165.02	189.07
Power & Fuel	129.75	111.47
Repairs to Machinery	22.75	22.88
Repairs to Buildings	2.17	2.52
Repairs - Others	1.72	2.44
Rent	20.06	18.21
Insurance	6.50	6.76
Rates & Taxes	3.05	2.79
Royalty	10.88	10.68
Travel & Conveyance	31.31	29.25
Communication	6.81	6.60
Bad debts written off	0.45	0.00
Provision for doubtful debts and advances	7.28	12.92
Provision for Warranty expenses	(4.05)	2.61
Advertisement and sales promotion	7.65	3.19
Commission	0.86	(0.72)
Legal and professional fees	15.25	11.93
Freight outward	23.31	16.53
Diminution in value of Investment	(0.85)	0.09
Auditors Remuneration	3.17	3.35
Loss on sale of Fixed Assets	1.26	0.00
Miscellaneous Expenses	53.72	43.89
Foreign exchange loss/(gain)	(5.24)	1.83
Total	502.83	498.29

26. LONG TERM LOANS AND ADVANCES
Security Deposits include ₹ 30.70 million (previous year ₹ 10.70 million) of security deposits paid to Ready Mix Concrete Limited for use of three additional factory sheds taken under lease by the Company from November 1, 2012 with additional deposit of ₹ 20 million. Ready Mix Concrete Limited is a company in which two of the directors are interested. The Company has been refunded a deposit of ₹ 0.96 million during current year by Skyline Millars Limited.

27. PROVISIONS				₹ in Millions
	Current Year		Previous Year	
	Warranty	Compensated absences	Warranty	Compensated absences
At Beginning of the year	14.15	6.31	11.54	5.76
Add: Provision made during the year		(5.25)	3.30	4.37
	14.15	1.06	14.84	10.13
Less: Utilised during the year	4.05	7.12	0.69	3.81
At the end of the year	10.10	(6.06)	14.15	6.31

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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 72 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 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
Payable within one year	26.44	23.13
Payable later than one year and not later than five years	26.41	20.41
Payable above five years	4.05	-

29. CONTINGENT LIABILITIES AND COMMITMENTS

	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
1) <u>Contingent Liabilities</u>		
a) Claim against the Company not acknowledged as debts		
i) Dispute relating to Cenvat and Sales tax	8.32	5.28
ii) Dispute relating to tax demand	15.49	0.49
b) Guarantee issued by bank	239.14	212.79
c) Other Contingent Liability	-	-
2) <u>Commitments</u>		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	7.09	9.89

30. EMPLOYEE BENEFITS

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

	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
a. Assumptions :		
Discount Rate	8.25%	8.3%
Rate of Return on Plan Assets	8.70%	8.3%
Salary Escalation	5.00%	6.0%
Mortality	LIC 1994-96	LIC 1994-96
	Ultimate Table	Ultimate Table
b. Table showing changes in Benefit Obligation:		
Liability at the beginning of the year	47.45	38.51
Interest cost	4.15	3.18
Current service cost	2.02	3.00
Benefit paid	(5.36)	(2.55)
Actuarial (gain)/loss on obligations	3.47	5.31
Liability at the end of the year	51.72	47.45

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at 31.03.13 ₹ in Millions	As at 31.03.12 ₹ in Millions
c. Change in Plan Assets:		
Fair value of Plan Assets at the beginning of the year	44.72	43.35
Expected Return on Plan Assets	3.91	3.58
Contributions	2.76	-
Benefit Paid	(5.36)	(2.55)
Actuarial gain / (loss) on Plan Assets	0.19	0.34
Fair value of Plan Assets at the end of the year	46.22	44.72
Total Actuarial Gain / (Loss) to be recognised	(3.28)	(4.97)
d. Actual Return on Plan Assets:		
Expected Return on Plan Assets	3.91	3.58
Actuarial gain / (loss) on Plan Assets	0.19	0.34
Actual Return on Plan Assets	4.10	3.92
e. Amount Recognised in the Balance Sheet:		
Liability at the end of the year	51.72	47.44
Fair value of Plan Assets at the end of the year	46.22	44.72
Difference	(5.50)	(2.73)
Amount Recognised in the Balance Sheet	(5.50)	(2.73)
f. Expenses Recognised in the Income Statement:		
Current Service cost	2.02	3.00
Interest Cost	4.15	3.18
Expected return on Plan Assets	(3.91)	(3.58)
Net Actuarial (gain) / loss to be recognised	3.28	4.97
Expense Recognised in Profit & Loss	5.53	7.58
g. Balance Sheet Reconciliation:		
Opening Net Liability	2.73	(4.85)
Expenses as above	5.53	7.58
Employers Contribution	(2.76)	-
Amount Recognised in Balance Sheet	5.50	2.73
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.		

31. BASIC AND DILUTED EARNING PER SHARE	Year ended 31-03-2013	Year ended 31-03-2012
a) Net profit for the year available to equity shareholders after Prior Period Tax Adjustment in ₹ Millions'	96.86	99.34
Weighted average number of Equity Shares during the year	1,46,17,500	1,46,17,500
b) Face value of Equity Share in ₹	2	2
c) Basic and diluted earnings per share (₹)	6.63	6.80

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

32. RELATED PARTY DISCLOSURES

(I) List of Related parties

(a) Parties where control exists:

- (i) Ultimate Holding Company: : Robbins & Myers Inc. USA (upto 20th February 2013)
National Oilwell Varco Inc. USA (from 21st February 2013)

(b) Related parties with whom transactions have taken place during the year:

- (i) 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
Robbins & Myers DE Mexico, SA.DECV
Robbins & Myers Inc.(upto 20th February 2013)
- (ii) Key management personnel : Mr. Ashok J. Patel – Managing Director
Mr. Tarak A. Patel – Executive Director
Mr. Ashok C. Pillai – Chief Operating Officer
- (iii) 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)
- (iv) Enterprises over which persons in (b)(ii) or (b)(iii) are able to exercise significant influence. : Skyline Millars Ltd.
Ready Mix Concrete Ltd.

32. RELATED PARTY DISCLOSURES (Continued)

(II) Transactions with related parties

₹ in Millions

Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key Mgmt. Personnel	Relative of Key Mgmt. Personnel	Other Related Parties
	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12
Purchase of goods	-	-	16.73	-	-	-
Sale of goods	-	-	18.93	-	-	-
Receiving of services	-	-	-	-	-	-
Royalty	-	-	-	-	-	-
Lease Rent paid	-	-	-	-	-	-
Remuneration paid	-	-	-	19.98	-	-
Interest received	-	-	-	0.04	-	-
Dividend paid	-	-	-	3.32	0.84	-
Dividend Received	-	-	-	-	-	-
Loan refund to company	-	-	-	0.30	-	-
Commission received on services provided	11.33	8.47	-	-	-	-
Reimbursement of expenses	-	-	-	-	-	-
Balance outstanding as on March 31, 2013						
Payables	-	-	9.67	-	-	2.74
Receivables	3.26	1.89	11.29	0.32	-	-
Deposit outstanding	-	-	-	-	-	11.66

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

Nature of transactions		Year ended 31.03.13 ₹ in Millions	Year ended 31.03.12 ₹ in Millions
Purchase of goods	Pfaudler Werke GMBH	7.77	21.40
	Skyline Millars Ltd.	-	2.29
	Glass Steel & Parts Services	0.12	0.23
	Pfaudler Balfour Ltd.	-	0.66
	Tycon Technoglass	8.72	-
Sale of goods	Pfaudler Werke GMBH	2.85	3.75
	Pfaudler Balfour Ltd.	5.58	-
	Suzoh Pfaudler	2.68	2.40
	Tycon Technoglass	6.40	-
	Ready Mix Concrete Ltd.	17.00	15.46
Receiving Services	Skyline Millars Ltd.	3.81	3.31
Lease rent paid	Skyline Millars Ltd.	2.44	4.18
	Ready Mix Concrete Ltd.	4.18	1.68
Royalty	Pfaudler Inc.	10.88	10.68
Remuneration paid	Mr. Ashok J. Patel	11.20	10.00
	Mr. Ashok C. Pillai	5.26	4.34
	Mr. Tarak A. Patel	3.50	2.78
Dividend paid	Pfaudler Inc.	20.87	20.87
	Mr. Ashok J. Patel	2.82	1.42
Balances outstanding as on March 31, 2013			
Payables	Pfaudler Inc.	32.61	23.37
	Skyline Millars Ltd.	0.77	2.24
	Ready Mix Concrete Ltd.	1.96	1.49
	Pfaudler Werke GMBH	0.81	10.36
	Tycon Technoglass	8.72	-
	Glass Steel & Parts Services	0.12	-
	Glasslined Equipment Company Ltd.	0.02	-
	Robbins & Myers Inc.	3.26	1.89
Receivables	Pfaudler Werke GMBH	1.03	3.75
	Suzoh Pfaudler	1.50	0.97
	Ashok Pillai	0.33	0.63
	Tycon Technoglass	3.06	-
	Pfaudler Balfour Ltd.	5.58	-
	Ready Mix Concrete Ltd.	30.70	10.70
Deposit outstanding	Skyline Millars Ltd.	-	0.96

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	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13
Revenue :							
Total External Sales	1,428.07	1,666.38	113.49	199.63	587.37	658.35	2,128.93
Segment Results:							
Profit/(Loss) Before Tax and Interest	127.53	147.59	9.42	14.42	12.03	9.32	148.98
Unallocated Expense (Net)	-	-	-	-	-	-	7.54
Less: Interest	-	-	-	-	-	-	7.28
Profit/(Loss) Before Tax	-	-	-	-	-	-	134.16
Taxes	-	-	-	-	-	-	37.30
Net Profit After Tax	-	-	-	-	-	-	96.86
Segment Assets	977.16	993.76	43.43	75.35	278.61	414.69	1,299.20
Unallocated Assets	-	-	-	-	-	-	654.00
Total Assets	-	-	-	-	-	-	1,953.20
Segment Liabilities	394.41	421.38	34.11	54.78	249.82	139.78	678.35
Unallocated Liabilities	-	-	-	-	-	-	82.01
Total Liabilities	-	-	-	-	-	-	760.36
Capital Expenditure	89.72	74.83	-	-	7.43	11.22	97.15
Unallocated Capital Expenditure	-	-	-	-	-	-	8.58
Depreciation	48.66	42.62	0.56	0.49	18.74	16.71	67.96
Unallocated Depreciation	-	-	-	-	-	-	4.48
							3.93

(b) Secondary segment reporting by Geographical Segment:

₹ in Millions

Particulars	Within India		Outside India		Total
Year Ended	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13
Revenue	1,572.45	1,863.75	556.48	660.61	2,128.93

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. HEDGING CONTRACTS

Un-hedged foreign currency exposures as at the year end:

	As at 31.03.13 ₹ in Millions		As at 31.03.12 ₹ in Millions	
	Receivable	Payable	Receivable	Payable
US Dollar	0.12	-	0.69	0.14
Euro	0.24	0.18	0.93	0.16
GBP	0.07	0.01	-	0.21
CHF	-	-	0.40	0.11
JPY	-	0.45	-	-

- 35.** The shareholders at the Extra Ordinary General Meeting held on March 11, 2008 appointed Mr. Ashok Patel as the Managing Director of the Company for a period of five years from January 1, 2007 to December 31, 2012. On the recommendation of the Remuneration Committee, the Board of Directors in their meeting held on November 5, 2012, appointed Mr. Ashok Patel as the Managing Director of the Company for a further period of three years effective from January 1, 2013. This appointment is subject to the shareholders' approval in the forthcoming Annual General Meeting.

STATEMENT PURSUANT TO APPROVAL U/S 212 (8) OF THE COMPANIES ACT, 1956

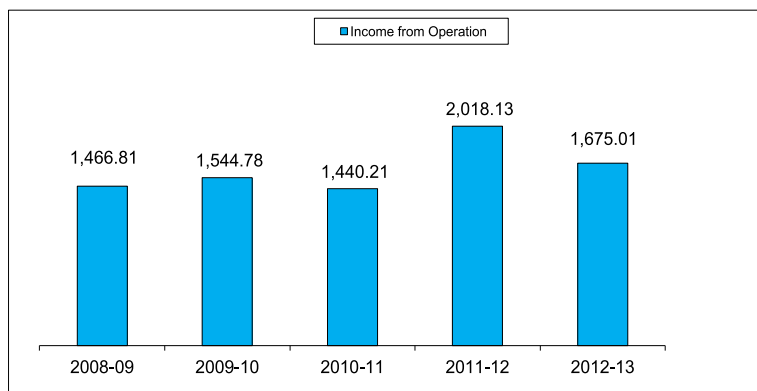
₹ in Millions

Name of the Subsidiary Company		Karamsad Holdings Ltd.	Karamsad Investments Ltd.	GMM MAVAG AG	MAVAG AG
Financial Year ended on		31.03.2013	31.03.2013	31.03.2013	31.03.2013
1	Capital	3.50	2.60	288.05	86.42
2	Reserves	0.99	1.81	(4.27)	144.01
3	Total Assets	4.53	15.76	288.59	455.63
4	Total Liabilities	0.04	11.35	4.82	225.19
5	Details of Investment				
	65 Equity Shares of ₹ 10/- each fully paid up in Nile Limited	-	0.01	-	-
	5000 Equity Shares of CHF 1000 each fully paid up in Mavag AG	-	-	288.05	-
6	Turnover	0.36	8.24	0	465.75
7	Profit / (Loss) before taxation	0.32	8.17	(1.07)	4.36
8	Provision for taxation	0.07	1.60		0.18
9	Profit after taxation	0.25	6.57	(1.07)	4.53
10	Proposed / Interim Dividend	Nil	9.75	Nil	Nil
	Exchange Rate Used	NA	NA	57.61	57.61
	Local Currency	INR	INR	CHF	CHF

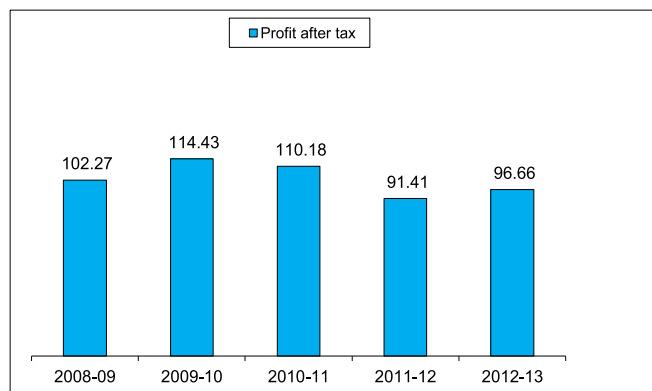
Note: Figures of foreign subsidiaries have been converted to Indian rupees equivalents based on exchange rates as on March 31, 2013.

FIVE YEAR FINANCIAL HIGHLIGHTS 2008-2009 TO 2012-2013

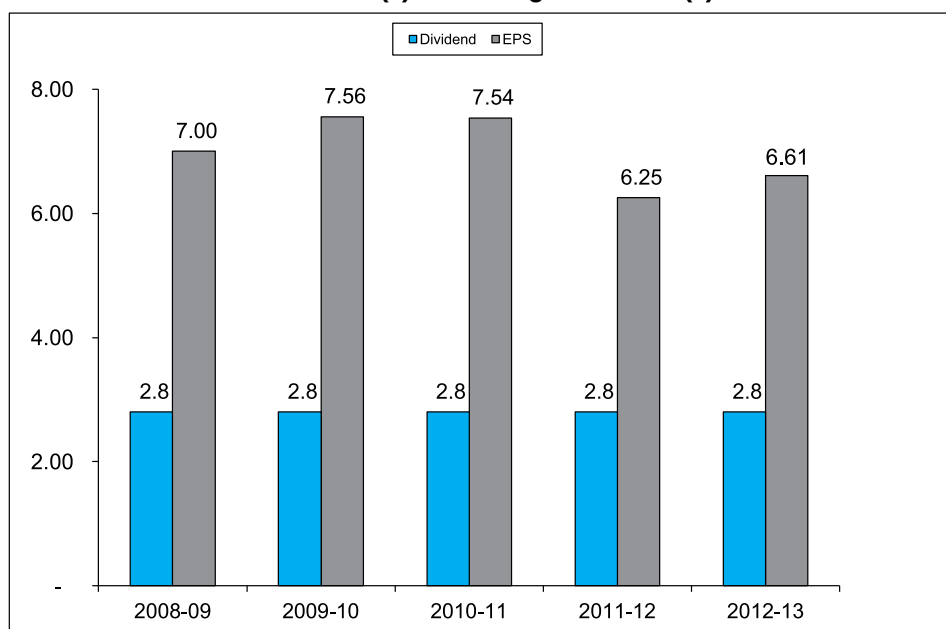
Income from Operation (₹ in Million)



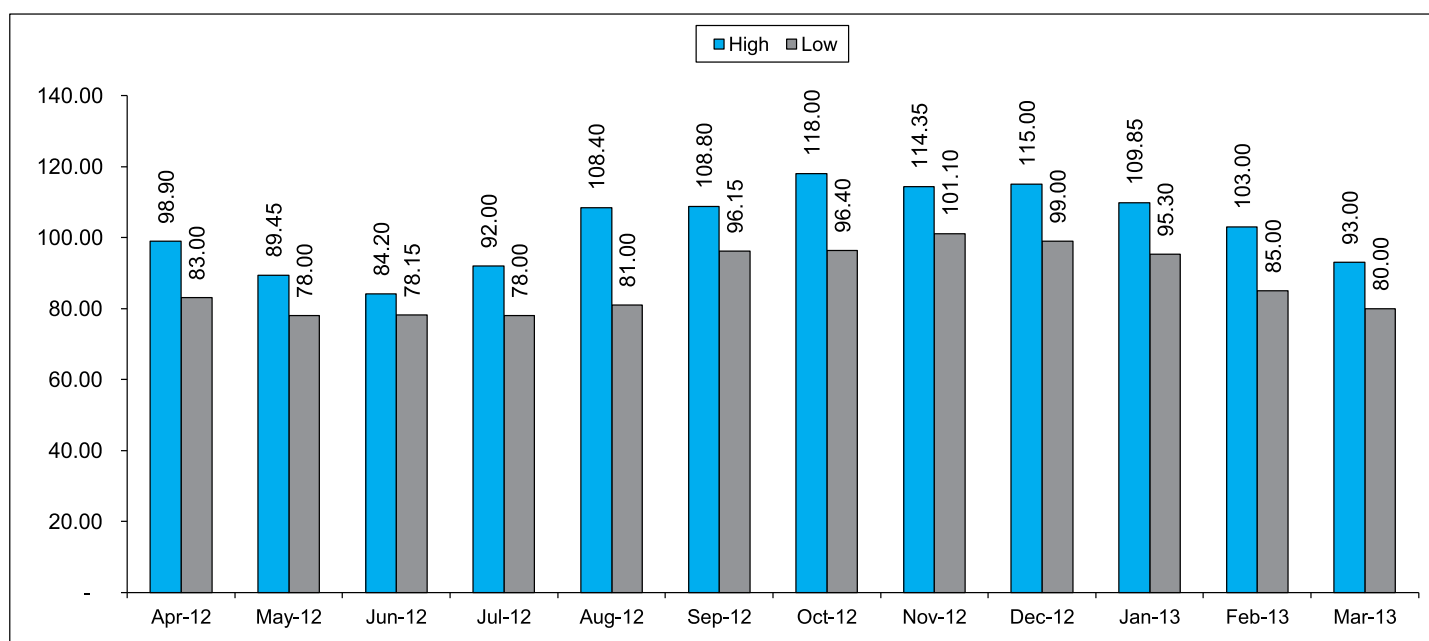
Profit After Tax (₹ in Million)



Dividend (₹) & Earning Per Share (₹)



Highs and Lows of Share Prices (₹)





Registered Office : Vithal Udyog Nagar, Anand - Sojitra Road, Karamsad 388 325

Please complete the attendance slip and hand over at the entrance of the meeting hall. Please also bring along your copy of the Annual Report.

ATTENDANCE SLIP

I / We hereby record my / our presence at the 50th Annual General Meeting of the Company at Sardar Vallabhbhai Patel and Veer Vithalbhai Patel Memorial, Anand - Sojitra Road, Karamsad - 388 325, Gujarat on Tuesday, September 17, 2013 at 10.00 am.

For Physical Holding	For Electronic Form (Demat) NSDL/CDSL		No.of
LF No.	DP ID	CLIENT ID	Shares
NAME OF THE MEMBER / JOINT MEMBERS (S) (IN BLOCK CAPITALS):			

SIGNATURE OF THE MEMBER/

JOINT MEMBER(S) / PROXY

GMM PFAUDLER LIMITED

Registered Office : Vithal Udyog Nagar, Anand - Sojitra Road, Karamsad - 388 325

PROXY FORM

For Physical Holding	For Electronic Form (Demat) NSDL/CDSL		No.of
LF No.	DP ID	CLIENT ID	Shares

I/We _____
of _____
being a member/members of GMM Pfaudler Limited hereby appoint _____
of _____ or failing him _____
of _____ as my/our Proxy to attend and vote for me/us on my/our behalf at
the 50th Annual General Meeting of the Company to be held on September 17, 2013 and at any adjournment thereof.
Signed this _____ day of September, 2013.

Affix
One Rupee
Revenue
Stamp

- Notes:
1. Proxy form must reach the Company's Registered office not less than 48 hours before the Meeting.
 2. The form should be signed across the stamp as per specimen signature registered with the Company.
 3. A Proxy need not be a member.



To,
Link Intime India Private Limited
(Unit GMM Pfaudler Limited)
C-13 Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai – 400 078

Date:

Dear Sirs,

Re: Payment of dividend through ECS or Bank Mandate

I wish to participate in the Electronic Clearing Service (ECS) introduced by Reserve Bank of India. As requested, I give below the details of my bank account, to which you may electronically credit the payment due to me against the reference folio number mentioned below.

1. Ref. Folio No : _____
2. Particulars of the Bank
 - a. Name of the Bank : _____
 - b. Branch Address : _____
 - c. 9 digit MICR code no. :
 - d. Type of Account : ☐ Savings ☐ Current ☐ Cash Credit
 - e. Ledger Folio No. : _____
 - f. Account Number : _____

I hereby declare that the particulars given above are correct and complete. I undertake to inform any subsequent changed in the above particulars before the relevant book closure date(s). If the payment transaction is delayed or not effected at all for any reason(s), beyond the control of the Company, I would not hold the Company responsible.

The nine digit code number of your bank and branch is mentioned on the MICR band next to the cheque number. Please attach a photocopy of your cheque.

(B) Bank details of shareholders holding shares in physical form

Bank particulars to be incorporated on the Dividend Warrant

- a. Name of the Bank : _____
- b. Branch Address : _____
- c. A/c No. & Type : _____

Signature of the first holder

Notes:

1. ECS mode of payment is valid only for payment up to ₹ 500,000/-.
2. In case the ECS Scheme does not meet the desired response due to any other operational reasons, it is found to be unworkable, the Company reserves the right to pay dividend by issue of dividend warrants.

SALES OFFICES

AHMEDABAD

2, B Jadhav Chambers,
3rd Floor, Ashram Road,
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Email: sales.ahmd@gmmpfaudler.com

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Fax: +91 44 2815 8249
Email: sales.chn@gmmpfaudler.com

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Fax: +91 265 231 1482
Email: sales.vad@gmmpfaudler.com

REGISTERED OFFICE & WORKS

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Tel: +91 2692 661700 / 230416 / 230516
Fax: +91 2692 661888 / 236467
Email: worksko@gmmpfaudler.com

CORPORATE & SALES OFFICE

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Peninsula Corporate Park,
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Lower Parel (West),
Mumbai - 400 013, Maharashtra
Tel: +91 22 6650 3900
Fax: +91 22 6650 3939
Email: sales@gmmpfaudler.com



GMM PFAUDLER LIMITED

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Tel.: +91-22-6650 3900 • Fax: +91-22-6650 3939
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Vithal Udyognagar, Anand - Sojitra Road,
Karamsad- 388 325, Gujarat, India.
Tel.: +91 2692 661700 / 230416 / 230516
Fax: +91 2692 661888 / 661999
Email: worksko@gmmpfaudler.com

www.gmmpfaudler.com



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years
of Leadership

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	GMM PFAUDLER LIMITED
2.	Annual financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable as un-qualified audit report issued

ASHOK J. PATEL
MANAGING DIRECTOR (CEO)



AMAR NATH MOHANTY
FINANCIAL CONTROLLER (CFO)

P. KRISHNAMURTHY
CHAIRMAN OF AUDIT COMMITTEE

For and on behalf of
Kalyaniwalla & Mistary

Partner
STATUTORY AUDITORS