

BOARD OF DIRECTORS	P. KRISHNAMURTHY	Chairman	
	ASHOK J. PATEL	Managing Director	
	PETER C. WALLACE	Director	
	KEVIN J. BROWN	Director	
	DR. S. SIVARAM	Director	
	DARIUS C. SHROFF	Director	
	TARAK A. PATEL	Executive Director	
	CHRISTOPHER M. HIX	Alternate to Kevin J. Brown	
	CHIEF OPERATING OFFICER	ASHOK C. PILLAI	
	FINANCIAL CONTROLLER	AMAR NATH MOHANTY	
	COMPANY SECRETARY	VAIBHAV S. BAKHARE	
	STATUTORY AUDITORS	KALYANIWALLA & MISTRY, CHARTERED ACCOUNTANTS, MUMBAI.	
	INTERNAL AUDITORS	DELOITTE HASKINS & SELLS, CHARTERED ACCOUNTANTS	
	SOLICITORS	VIGIL JURIS	
BANKERS	STATE BANK OF INDIA		
REGISTERED OFFICE	VITHAL UDYOGNAGAR, ANAND - SOJITRA ROAD KARAMSAD – 388 325, GUJARAT	Phone : 02692 - 661700 Fax : 02692 - 661888	
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 - 25963838 Fax : 022 - 25946969	

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GMM PFAUDLER LIMITED

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NOTICE:

NOTICE is hereby given that the Forty-Sixth Annual General Meeting of the Company will be held on Wednesday, September 30, 2009 at 10.00 a.m. at Sardar Vallabhbhai Patel and Veer Vithalbhai Patel Memorial, Anand-Sojitra Road, Karamsad - 388 325, Gujarat to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2009 and Profit & Loss Account for the year ended March 31, 2009 together with the reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of four interim dividends paid during the year ended March 31, 2009.
3. To appoint a Director in place of Mr. Kevin Brown, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. S. Sivaram, 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, (“the retiring Auditors”) 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 and they may be paid such remuneration as may be mutually agreed between the Board of Directors and the Auditors including reimbursement of out of pocket and traveling expenses subject to service tax as may be applicable”.

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

**Vaibhav S. Bakhare
Company Secretary**

Mumbai, July 28, 2009

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE ANNUAL GENERAL MEETING.
2. The Register of Members and Share Transfer Books of the Company will be closed from Thursday, September 24, 2009 to Wednesday, September 30, 2009 (both days inclusive) for the purpose of ensuing Annual General Meeting of the Company for annual closure as per the Listing Agreements.
3. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready at the Meeting.
4. 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.

5. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, amounts of dividend remaining unclaimed for a period of 7 years from the date of its transfer to the Unpaid Dividend Account of the Company are to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India and no payments shall be made in respect of any such claims to any shareholder from the Fund.

The details of dividend declared / paid from the year 2001-02 upto 2002-03 proposed to be transferred to IEPF are given below:

Date of declaration	Dividend for the year	Dividend Rs. per share	Due date of the proposed transfer to IEPF
26.09.2002	Final Dividend (2001-02)	Rs. 2.50	31.10.2009
29.04.2003	Interim Dividend (2002-03)	Rs. 2.50	03.06.2010
25.09.2003	Final Dividend (2002-03)	Rs. 2.50	30.10.2010

Members, who have not encashed the Dividend Warrants for the year 2001-02 and/or any subsequent year(s) are requested to write to the Company for revalidation of Dividend Warrants before transfer by the Company of unclaimed amounts to the Investor Education and Protection Fund.

6. 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.
7. Listing fees to the Bombay Stock Exchange Limited has been paid upto March 31, 2010.
8. Payment of dividend through Electronic Clearing Service (ECS):

As per current SEBI Regulations, dividend is required to be credited to shareholders Bank Account through Electronic Clearing Service (ECS) wherever the facility is available and the requisite details/mandate have been provided by the Shareholders. Shareholders desirous of availing of this facility may send the ECS form (available on the website of the Company), along with a Xerox copy of 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) at the following address:

Link Intime India Private Limited (Unit: GMM Pfaudler Limited)
 C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078
 Phone: 2596 3838, Fax: 2594 6969, email: rnt.helpdesk@linkintime.co.in
 Kind Attn: Mr. N. Mahadevan Iyer / Mr. Sharad Patkar.

9. 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.

10. 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.

11. 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.

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

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

REPORT OF THE DIRECTORS

To the Members:

The Directors have pleasure in presenting their Forty-Sixth Annual Report and the Audited Statement of Accounts of the Company for the year ended March 31, 2009.

FINANCIAL RESULTS:

	Year ended 31.03.09	(Rs. '000') Year ended 31.03.08
Sales and Other Income	1,502,033	1,473,759
Profit before Tax	157,522	223,036
Profit after tax	102,274	155,584
Surplus brought forward	494,675	402,577
Amount available for appropriation	596,949	558,161
APPROPRIATIONS:		
Interim dividend	40,929	40,929
Tax on distributed Profit	6,956	6,956
	47,885	47,885
Transfer to General Reserve	10,227	15,600
Surplus Carried Forward to Profit & Loss Account	538,837	494,676
	596,949	558,161
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	114.00	174.90
Low	35.65	82.10
Close on March 31	41.25	91.35
Earnings per share	7.00	10.64

FINANCIAL REVIEW:

Sales and Other Income for the year at Rs. 1,502.03 million reflected an increase of 1.9% over the previous year. Profit before tax however decreased by 29.4% to Rs. 157.52 million from Rs. 223.03 million in the previous year. Profit after tax decreased by 34.3% to Rs.102.27 million over the previous year's profit of Rs. 156.00 million. As a result, the earnings per share for the year declined to Rs. 7.00 as compared to Rs. 10.64 in the previous year. Sales growth was impacted by the economic slow down during the second half of the year and the liquidity crisis with the customers. Inflation during the first half of the year was high resulting in increase in the prices of basic raw materials which significantly impacted the profitability for the year.

DIVIDEND:

The Board of Directors have approved the payment of four interim dividends of Rs. 0.70 per share, aggregating to Rs. 2.80 per share at their meetings held on April 14, 2008, July 24, 2008,

October 23, 2008 and on January 27, 2009. The total dividend distributed for the year of Rs. 40.93 million was equal to that of the previous year.

The Directors propose that the interim dividends paid so far be considered as the final dividend for the year under review.

FIXED DEPOSITS:

The Company has not accepted any Fixed Deposits from the public since 1999-2000. Unclaimed Fixed Deposits including interest as on March 31, 2009 was Rs. 6,284 after transferring an amount of Rs. 29,414 to the "Investors Education and Protection Fund" account during the year.

INVESTMENTS:

The Company had during the previous year made a strategic investment in acquiring Mavag AG of Switzerland, a leading supplier of highly engineered critical equipment for the pharmaceutical,

bio engineering and fine chemicals industries. The process of integration of Mavag AG with the Company has been smooth. Both the Company and Mavag have progressed well in the strategic areas of absorption of Mavag technology and outsourcing of low cost components and accessories from the Company. This is expected to benefit both the companies in terms of expanding the market and the profitability in the long run. Mavag's Sales and profitability during year however were lower than expected due to the economic slow down in the European market.

As referred to in note 3(a) of the Schedule 17 on 'Notes forming part of the Accounts', the dispute regarding the registration of transfer of shares with Nile Limited has been settled vide a Memorandum of Compromise signed by the Company, its subsidiaries and Nile Limited and the same has been approved by the Honorable High Court of Andhra Pradesh on April 02, 2009.

As per Memorandum of Compromise, Nile Limited has transferred 599,772 shares in the names of the Company and its subsidiaries till date and the remaining 20,323 shares are in the process of registration of transfer. The Company and its subsidiaries have also received un-paid dividends of Rs. 8,096,922 from Nile Limited till date leaving a balance of Rs. 274,361 to be received on transfer of the remaining shares. The company and its subsidiaries have paid a sum of Rs. 10.00 million as cost to Nile Limited on April 28, 2009 as per the above Compromise.

These shares in Nile Limited will be disinvested by the Company and its subsidiaries within a period of 36 months other than through 'block deals'.

The Company's current investment in mutual funds stood at a book value of Rs. 40.0 million as at end of March 31, 2009. There were diminution of Rs. 1.49 million in the market value of these investments which has been provided for in the accounts during the year.

The Company has investments in equity shares of Skyline Millars Limited (formerly Millars India Limited) which are long-term investments and strategic in nature.

CONSERVATION OF ENERGY:

The particulars required under 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" forming part of this Report.

FOREIGN EXCHANGE:

Information on foreign exchange earnings and expenses are provided in Notes 19 to 22 of Schedule 17, 'Notes Forming Part of Accounts'.

SUBSIDIARY COMPANIES:

In compliance with the provisions of Section 212 of the Companies Act, 1956 the Audited Statement of Accounts, report of its board of directors and Auditors' Report for the year ended March 31, 2009 of Karamsad Holdings Limited, Karamsad Investments Limited, GMM Mavag AG and Mavag AG, are annexed hereto and form part of the Directors Report.

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 shareholders of the Company. Any shareholder interested in obtaining such particulars may write to Secretary of the Company at the Registered Office address.

DIRECTORS:

Mr. Kevin Brown and Dr. S. Sivaram will be retiring at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The background of the Directors appointed during the year and proposed to be re-appointed at the ensuing Annual General Meeting are incorporated in the Corporate Governance Report forming part of this Directors' Report.

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, 2009, the applicable accounting standards have been followed along with proper explanations in case of material departures;
2. that such accounting policies as mentioned in Schedule 17 of the Annual Accounts 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, 2009 and of the Profit & Loss Account 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. those annual accounts for the year ended March 31, 2009 have been prepared on a 'going concern' basis.

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

Management's Discussion & Analysis Report is attached and forms part of this Director's Report.

CORPORATE GOVERNANCE:

As per Clause 49 of the Listing Agreement with 'The Bombay Stock Exchange Limited', a Report on Corporate Governance together with a Certificate from the Company's Auditors are presented separately and forms part of this Report.

AUDITORS:

M/s. Kalyaniwalla & Mistry, Chartered Accountants, retiring as the Statutory Auditors of the Company at the conclusion of ensuing Annual General Meeting and 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.

For and on behalf of the Board of Directors

P. KRISHNAMURTHY
CHAIRMAN

ASHOK J. PATEL
MANAGING DIRECTOR

Mumbai, July 28, 2009

ANNEXURE "A" TO DIRECTOR'S REPORT

1. Conservation of Energy:

- a. The Company consistently pursues various avenues to conserve energy used in the factory in various forms like electricity, natural gas and other gases. 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.
- b. The Company has won "Energy Efficient Unit Award" at the National Award for Excellence in Energy Management 2008 Conducted by Confederation of Indian Industry [CII]- Godrej GBC, in appreciation of the excellent work done towards achieving global norms and several improvements in Electrical & Thermal Projects.
- c. The Natural Gas Radiant Tube Furnace commissioned in 2007, remains the main Enameling Furnace. This has resulted in significant savings in cost of power & fuel.
- d. The company continues to use natural gas consistently in its manufacturing operations which has been giving savings in cost of energy.
- e. The company keeps its focus on conserving the electricity consumed in electric furnaces in Enameling Plant which accounts for most of electricity consumed in the factory. Performance of these furnaces is strictly monitored to ensure optimal batching in order to economize consumption of electricity.
- f. Installation of Inverter based welding machines in place of Coil rectifiers has also resulted in energy savings.

2. Research & Development:

The Company has a R&D centre which is approved by the Department of Science & Technology of the Government of India. The Company carries out continuously R&D in several areas in the process of manufacturing glass lined vessels and developing the quality of its product employing new and advanced technology. Areas where specific R&D was successfully carried out during the year are as follows.

- a. Developed and manufactured 16 KL and 25 KL storage tanks first time with ASME design under PED with comparatively lower thickness of steel and with special firing tools.
- b. Developed and manufactured laboratory reactors for the first time as per AD Merkblatter under PED for the European market. The Company also developed a 5 liters lab reactor for the first time under ASME "U" stamp.
- c. Developed and manufactured 26 liters lab reactor with high quality GMP features for a pharmaceutical and biotech industry
- d. Developed and manufactured 30 liters KILO-LAB reactor having a glasslined bottom pan, and a glasslined agitator & baffle. The top cover of the vessel was of Borosilicate glass which allowed the users to see the reactions which is useful to the to the engineers and chemists in the pharmaceutical and bio industry.
- e. The Company has adopted the designs of its Swiss subsidiary Mavag for the Agitated Nutsche Filter / Dryers. This is a significant improvement over our indigenous designs and gives the Company a competitive edge in the market.
- f. The Company has improved the Gland Packed Stuffing Box design in the Agitated Nutsche Filters.

3. Technology:

Expenditure in R&D:	(Rs. in '000')
	Year ended 31.03.09
a) Capital	-
b) Recurring	3,099
Total	3,099
c) Total R&D expenditure as % of total turnover.	0.21%

For and on behalf of the Board of Directors

P. KRISHNAMURTHY
CHAIRMAN

ASHOK J. PATEL
MANAGING DIRECTOR

Mumbai, July 28, 2009

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

COMPANY OVERVIEW:

The Company which was established in the year 1962, 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 pipes & 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 Pharmaceutical and Specialty Chemicals business slowed down considerably in the 3rd Quarter of the year. These companies, representing a significant spread in our customer base, were affected by the global finance crunch and drying up of international demand.

All major projects have been put on hold and the lack of availability of finance is affecting the ability of our customers to accept the equipment as ordered. The company expects some recovery in the next year.

With the addition of Kilo lab. a new product line and with other new products and services under consideration, the company expects to further establish its position as a major player in the Chemical Processing Business.

OPPORTUNITIES & THREATS:

The slowdown of the world economy together with recessionary trends have adversely impacted the Indian economy as a whole. This is also likely to impact the growth projections for both the economy and for the capital goods industry which are being revised downwards.

There is more interest in the overseas market for our equipment. We expect with the improvement in the global economy, our Company will be well poised to take advantage of the export markets.

FINANCIAL PERFORMANCE:

The market environment slowed down during the second half of the year due to the competitive pressure and liquidity crisis with the customers. Business from Pharmaceutical and Specialty Chemicals Segments of the CPI showed negative growth during the year impacting the Glasslined business. However, The Company made modest improvement in its business from Agro Chemicals, Refinery & Petrochemicals. The continued focus in the Non Glasslined Alloy products business enabled the Company to show moderate growth for the year.

Sharp increase in input material prices caused by the increase in the cost of steel materials, decrease in exports and pricing pressure in the domestic market adversely impacted the year's profit.

SEGMENT WISE OPERATIONAL PERFORMANCE:

- **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 Rs. 1,277.66 million; a growth of 2% over the previous year contributing 87% to the total sales of the company. This Division of the Company continues to enjoy the number one manufacturer of glass-lined equipment in India. The profit from this segment was Rs. 165.47 million a decrease of 26% over the previous year. The capital employed for this division was Rs. 467.7 million reduced by 20% from the previous year level.

- **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 9% to Rs. 83.10 million. The profit from this segment was Rs. 8.81 million a decrease of 25% over the previous year. This segment was most affected by the rise in input cost of the drive systems. Capital employed for this Division was Rs. 15.3 million reduced by 29% from the previous year.

- **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. Mavag's high end technology and products have

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greatly benefited this Division. The Company reported a sales of Rs. 106.0 million, a growth of 35% over previous year in this Division. Profits however were lower by 23% at Rs. 8.0 million. Capital employed for this Division was Rs. 12.7 million reduced by 60% from the previous year.

OUTLOOK:

Demand for company's product and services have shown encouraging signs as reflected by the increase in order intake during first quarter of the current financial year 2009-10. The backlog as at end June 2009 stood at Rs. 822 million. Several initiatives taken by the Company in absorption of Mavag technology, bringing Mavag's high end products to Indian customers and upgrading the facility for Non glasslined alloy products is expected to improve the business environment of the Company.

RISKS AND CONCERNS:

The Company's export business has suffered due to global economic conditions in the last year. As this forms a sizable portion of its sales and contributes towards improved margins, there was an impact on the overall budgeted growth in sales and profits during the last year. In light of the global recession the Company's exports business is likely to be impacted.

We have market risk exposure to foreign exchange rates mainly due to our exports. 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 leading to cuts and load shedding. 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 electricity. All these factors affect output and profitability. Company's investment in the natural gas furnace will help overcome the bottleneck caused by the power supply situation.

Finally, the Company's primary raw material is steel. Though the steel prices have softened and hit the bottom, it had 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 had developed a Risk Management Policy framework with the help of an outside consultant 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.

With reference to the auditors remark for strengthening of inventory record, the Company has taken steps with help of an outside consultants to strengthen the process of inventory updation and reconciliation. The recommendation given by the consultants are being implemented.

The Audit Committee and the Board 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 maintains its focus on development of human resources with insight into areas of Performance Management System, Talent Planning and Reward & Recognition with a 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.

On March 31, 2009 the Company's total permanent employee strength was 310 against 338 as on March 31, 2008.

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

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. The Corporate Governance Code has also been incorporated in Clause 49 of the Listing Agreements 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.

Your Company has always believed in the concept of good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhance stakeholder value. 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 Company, as part of Robbins & Myers, Inc. Group (R&M Group), follows the Code of Conduct and Corporate Governance norms adopted by the R&M Group

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.

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 is paramount that GMM Pfaudler'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 for the year ended March 31, 2009.

For GMM Pfaudler Limited

Ashok J. Patel
Managing Director (CEO)

Mumbai, July 28, 2009

2. BOARD OF DIRECTORS

Composition and Status of Directors:

The Board of 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.

Mr. Christopher M. Hix was appointed as Alternate Director to Mr. Kevin Brown.

Mr. Ramesh L. Dalal resigned from the Board and Mr. P. Krishnamurthy was appointed as a Director to fill the vacancy caused by resignation of Mr. Dalal w.e.f. April 14, 2008.

Attendance at the Board Meetings and last Annual General Meeting

Four 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 April 14, 2008, Second on July 24, 2008, Third on October 23, 2008 and Fourth on January 27, 2009. Your Company continued the practice of providing Conference Call facility to enable all the Foreign Directors and Executives to participate and discuss at the Board Meetings. Details of attendance of Directors and Directorships in other Public Limited Companies are as under:

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Name of Director	Number of Board Meeting Attended	Annual General Meeting
Mr. Ramesh L. Dalal up to 14.04.2008	1	N. A.
Mr. P. Krishnamurthy w.e.f. 14.04.2008	3	No
Mr. Ashok J. Patel	4	Yes
Mr. Peter C. Wallace	1	No
Mr. Kevin J. Brown	0	No
Mr. Christopher M. Hix	1	N. A.
Dr. S. Sivaram	2	No
Mr. Darius C. Shroff	4	No
Mr. Tarak A. Patel	2	Yes

Mr. Peter C. Wallace , Mr. Kevin J. Brown and Mr. Christopher Hix each participated in three, two and one Board Meetings respectively through tele conference.

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	5	1	Nil
Mr. Ashok J. Patel*	Executive	5	1	Nil
Mr. Peter C. Wallace**	Non Executive	Nil	Nil	Nil
Mr. Kevin J. Brown**	Non Executive	Nil	Nil	Nil
Mr. Christopher M. Hix**	Non Executive (Alternate to Mr. Kevin Brown)	Nil	Nil	Nil
Dr. S. Sivaram	Non Executive & Independent	3	Nil	Nil
Mr. Darius C. Shroff	Non Executive & Independent	7	2	3
Mr. Tarak A. Patel*	Executive	2	Nil	Nil

* Indian Promoter

** Representing Foreign Promoter, viz., Pfaudler Inc. (R&M Group)

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:

(Rs. '000')

Sr. No.	Particulars	Ashok J. Patel	Tarak A. Patel
1.	Salary and allowances	3,300	1,854
2.	Provident Fund & other funds	1,028	286
3.	Perquisites	150	71
4.	Commission	3,600	-
	Total	8,078	2,211

Non-Executive Director's Compensation:

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

- Rs.20,000 as sitting fees for each meeting of the Board of Directors and
- Rs. 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 (Chairman), Dr. S. Sivaram and Mr. Darius Shroff are the Members of the Committee as on date. Mr. Ramesh Dalal ceased to be member and Mr. P. Krishnamurthy became a member of the Committee w.e.f. April 14, 2008.

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. April 14, 2008, July 24, 2008, October 23, 2008 and January 27, 2009. The attendance at these meetings was as under:

Name of Director	Designation	No. of Meetings Attended
Mr. Ramesh L. Dalal Up to 14.04.2008	Chairman	1
Mr. P. Krishnamurthy w.e.f. 14.04.2008	Chairman	3
Dr. S. Sivaram	Member	2
Mr. Darius C. Shroff	Member	4

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

- Review the quarterly, half yearly and annual financial accounts of the Company.
- To review with Statutory and Internal Auditors about the internal control systems and its compliances.
- To consider the appointment of the Statutory Auditors, the audit fee, and any matters of resignation or dismissal.
- 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
- Refer to external professionals for advice, if necessary.

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. Peter C. Wallace as on date.

There was no occasion that warranted the meeting of the Remuneration Committee during the financial year under review.

Remuneration of Directors

Details of Remuneration paid/ payable to Directors for the year ended March 31, 2009 are as follows:

Director	Relationship with other Directors	Sitting Fees (Rs.)	Salary, Perquisites & Commission (Rs.)	Total Amount (Rs.)
Mr. Ramesh L. Dalal	None	30,000	Nil	30,000
Mr. P. Krishnamurthy	None	90,000	Nil	90,000
Mr. Ashok J. Patel	Father of Mr. Tarak Patel	Nil	8,077,849	8,077,849
Mr. Peter C. Wallace	None	20,000	Nil	20,000
Mr. Kevin J. Brown	None	Nil	Nil	Nil
Mr. Christopher M. Hix	Alternate to Mr. Kevin Brown	20,000	Nil	20,000
Dr. S. Sivaram	None	60,000	Nil	60,000
Mr. Darius C. Shroff	None	120,000	Nil	120,000
Mr. Tarak A. Patel	Son of Mr. Ashok Patel	Nil	2,211,345	2,211,345

Remuneration policy to Non-Executive Independent Directors of the Company has been disclosed in the earlier part of the Corporate Governance Report.

5. SHAREHOLDERS & INVESTORS GRIEVANCE COMMITTEE:

Shareholders & Investors Grievance Committee of the Company inter-alia reviews and considers the report of RTA regarding various types of complaints / requests received, handled and balances if any. Members of the Committee are Mr. P. Krishnamurthy (Chairman), Dr. S. Sivaram and Mr. Darius Shroff as on date. Mr. Ramesh Dalal ceased to be member and Mr. P. Krishnamurthy became a member of the Committee w.e.f. April 14, 2008.

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The Shareholder and Investors Grievance Committee met on four occasions viz. April 14, 2008, July 24, 2008, October 23, 2008 and January 27, 2009. The attendance at these meetings was as under:

Name of Director	Designation	No. of Meetings Attended
Mr. Ramesh L. Dalal Up to 14.04.2008	Chairman	1
Mr. P. Krishnamurthy w.e.f. 14.04.2008	Chairman	3
Dr. S. Sivaram	Member	2
Mr. Darius C. Shroff	Member	4

Mr. Vaibhav S. Bakhare, Company Secretary is the Compliance Officer of the Company. During the year the Company received 22 complaints and the same were disposed off. All complaints / queries are disposed of within one week of receipt of the complaint/ query. The Company does not have any pending transfers / non- attended complaint 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.co.in

6. GENERAL BODY MEETING:

Last three Annual General Meetings were held at Sardar Vallabhbhai Patel and Veer Vithalbhai Patel Memorial, Anand-Sojitra Road, Karamsad - 388 325. Details are as under:

YEAR	ANNUAL GENERAL MEETING	DATE OF MEETING	TIME OF MEETING	NO. OF SPECIAL RESOLUTIONS PASSED
2005-06	Forty-Third	September 26, 2006	10.00 a.m.	3
2006-07	Forty-Fourth	September 26, 2007	10.00 a.m.	1
2007-08	Forty-Fifth	September 25, 2008	10.00 a.m.	1

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.

7. DETAILS OF DIRECTORS APPOINTED DURING THE YEAR / SEEKING RE-APPOINTMENT:

- a) Mr. Kevin Brown (51) is a Non-Executive Director on the Board of the Company.

Mr. Kevin J. Brown, age 51, has been a Director of our Company since 2000. He has been the Corporate Controller and Chief Accounting Officer of Robbins & Myers Inc. since 2006. Prior to Robbins & Myers Inc., he was employed by the accounting firm of Ernst and Young LLP for 15 years. Mr. Brown is also a Certified Public Accountant.

- b) Dr. Swaminathan Sivaram (62) is a Non-Executive Director of the Board of Directors of the Company.

Dr. S. Sivaram, age, 62, has been a Director of the Company since 2003 and is a member of the Audit Committee, Shareholders and Investors Grievance Committee and Remuneration committee. Dr. Sivaram has been the Director of NCL since 2002. He is a polymer chemist by training and has authored over two hundred papers in peer reviewed journals. He has eighty nine patent applications to his credit and has been cited as inventor in fifty one US patents. Dr. Sivaram is an elected Fellow of all the learned academies of science and engineering in India and a Fellow of the World Academy of Science, Trieste, Italy. He was conferred Padma Shri by the President of India in 2006. Before joining NCL in 1988 he was heading the Research Center at Indian Petrochemicals Corporation Ltd., Vadodara.

Dr. Sivaram serves as Director on the Board of Asian Paints India Ltd. and Apcotex Industries Pvt. Ltd.

8. DISCLOSURES:

- i) 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 28 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.
- ii) The Company has complied with the mandatory requirements of the Corporate Governance Clause of Listing Agreement, however the chairman of the audit committee could not attend the Annual General Meeting held on September 25, 2008, for health reasons. 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.

9. MEANS OF COMMUNICATION:

The Company publishes its Quarterly, Half-yearly and Annual results in the Economics Times (Mumbai and Ahmedabad) and Naya Padkar (Anand) newspapers. The said results are also available at the website of the Company. Quarterly Results are also posted to all the shareholders.

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

CEO / CFO Certificate:

A certificate from the Managing Director (CEO) and Financial Controller (CFO) in terms of Clause 49(V) of the Listing Agreement was placed before the Board, at the Meeting held on July 28, 2009 to approve the Audited Annual Accounts for the year ended March 31, 2009.

10. GENERAL SHAREHOLDER INFORMATION:

- (i) Annual General Meeting:
- (ii) The Forty sixth Annual General Meeting of the Company will be held on Wednesday, September 30, 2009 at 10.00 a.m. at the Sardar Vallabhbhai Patel and Veer Vithalbhai Patel Memorial, Karamsad, Gujarat 388 325.
- (iii) Financial year of the Company : April to March
 - Financial reporting for the quarter ended June 30, 2009 : End of July, 2009
 - Financial reporting for the quarter ended September 30, 2009 : End of October, 2009
 - Financial reporting for the quarter ended December 31, 2009 : End of January, 2010
 - Financial reporting for the quarter ended March 31, 2010 : End of April, 2010
 - Annual General Meeting for the year ended March 31, 2010 : End of September, 2010 (Tentative)
- (iv) Date of Book Closure : Thursday, September 24, 2009 to Wednesday, September 30, 2009 (Both days inclusive)
- (v) Dividend Payment Date : No final dividend
- (vi) Listing of Stock Exchange : The Bombay Stock Exchange Limited
- (vii) Stock Code : 505255
- (viii) Dematerialization : ISIN Number 541A01015
- (ix) 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. Sharad Patkar Email: sharad.patkar@linkintime.co.in
- (x) 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.
- (xi) Stock Market Price for the year:

Month	Market Price		BSE - Sensex	
	High	Low	High	Low
April 2008	114.00	86.10	17480.74	15297.96
May 2008	109.00	93.00	17735.70	16196.02
June 2008	100.95	80.25	16632.72	13405.54
July 2008	93.50	74.00	15130.09	12514.02
August 2008	89.90	77.00	15579.78	14002.43
September 2008	97.30	65.00	15107.01	12153.55
October 2008	76.90	44.10	13203.86	7697.39
November 2008	60.00	40.00	10945.41	8316.39
December 2008	61.00	41.00	10188.54	8467.43
January 2009	58.70	42.50	10469.72	8631.60
February 2009	50.40	35.65	9724.87	8619.22
March 2009	47.50	39.00	10127.09	8047.17

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(xii) Shareholding Pattern as on March 31, 2009:

Category	No. of shares	Percent
Foreign Promoters - Pfaudler Inc.	7,454,400	51.00
Indian Promoters Group	3,608,365	24.69
NRI/OCB	36,859	0.25
Financial Institution, Nationalized Bank, Insurance Companies	416,448	2.85
Domestic Companies, Clearing Members, Trusts	392,788	2.29
Individuals	2,708,640	18.70
Total	14,617,500	100.00

(xiii) Distribution of Shareholding as on March 31, 2009:

Sr. No.	Slab of shareholding		Shareholders		Shares	
	No. of Equity shares held		Nos.	%	Nos.	%
	From	To				
1.	1	500	4,609	82.6726	686,165	4.6941
2.	501	1,000	507	9.0942	401,531	2.7469
3.	1,001	2,000	254	4.5561	384,171	2.6282
4.	2,001	3,000	68	1.2197	177,559	1.2147
5.	3,001	4,000	32	0.5740	118,536	0.8109
6.	4,001	5,000	30	0.5381	136,799	0.9359
7.	5,001	10,000	35	0.6278	246,317	1.6851
8.	10,001	Above	40	0.7175	12,466,422	85.2482
	Total		5,575	100.0000	14,617,500	100.0000

(xiv) Dematerialization:

As on March 31, 2009, 40.78% of the Company's total shares representing 5,961,290 shares are held in dematerialized form and the balance 8,656,210 representing 59.22% shares (including 51% representing 7,454,400 shares held by holding Company) are in Physical Form.

(xv) 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.

(xvi) Plant Location:

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

(xvii) Shareholders & Investors Correspondence:

Shareholders should address their correspondence to the Company's Registrar and Transfer Agent:

Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078.
Phone : 2596 3838, Fax : 2594 6969. Contact Person: Mr. Sharad Patkar. Email: sharad.patkar@linkintime.co.in

To the Members of

GMM Pfaudler Limited

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of condition of Corporate Governance by GMM Pfaudler Limited for the year ended March 31, 2009, 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 a review of the 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 and the representations made by the management, we certify that to the best of our knowledge the Company has complied with the conditions of Corporate Governance stipulated in Clause 49 of the above mentioned Listing Agreement, *except sub clause II A (iv) of the said Clause*, regarding the Chairman of the Audit Committee not being present at the Annual General meeting of the Company as stated in paragraph 8 of Report on Corporate Governance.

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

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner
M. No. 32083

Mumbai: July 28, 2009

REPORT OF THE AUDITORS

TO THE MEMBERS OF GMM PFAUDLER LIMITED

1. We have audited the attached Balance Sheet of GMM Pfaudler Limited, as at March 31, 2009 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India 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.
4. Further to our comments in the Annexure referred to above, 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 such books.
 - c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - d) In our opinion, the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
 - e) Without qualifying our opinion, we report that:

The previous year's audit report was modified in respect of Investments amounting to Rs. 12,565 thousand in the shares of Nile Limited and advances to subsidiaries amounting to Rs. 13,768 thousand for acquisition of shares of Nile Limited during 1998-99 which shares were not registered in the name of the investing companies as registration of transfer of the said shares were rejected by the Board of Directors of Nile Ltd. The Company, its subsidiaries and Nile Ltd. have resolved the dispute and consent terms have been signed with Nile Ltd. which has been approved by the Andhra Pradesh High Court on April 2, 2009. Pursuant to the consent terms Nile Ltd. has transferred/ is in process of transferring the shares in the names of the company and its subsidiaries and these shares will be disinvested by the Company and its subsidiaries over the next thirty-six months.
 - f) In our opinion and to the best of our information and according to the explanations given to us the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 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, 2009;
 - ii) in the case of the Profit and Loss Account, 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.
5. On the basis of written representations received from the directors as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009, from being appointed as director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner
M. No. 32083

Mumbai: July 28, 2009

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph (3) of our report of even date on the accounts of GMM Pfaudler Limited for the year ended March 31, 2009.

- 1) (a) The Company is generally 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, *however the processes with respect to reconciliation of the priced stores ledger and stocks at third party locations need strengthening*. The Company is in the process of further strengthening the same. The discrepancies noticed on verification between physical inventories and book records 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 Act.
 - (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 Act.
- 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. *Other than the areas for improvement reported in para 2(c) above*, there is no continuing failure to correct major weaknesses in internal control.
- 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. However, as at the year end the unclaimed matured deposits in respect of an old scheme amounted to Rs. 6 thousand.
- 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) As informed to us, the maintenance of cost records has not been prescribed by the Company under Section 209(1)(d) of the Companies Act, 1956 in respect of the activity carried on by the company.
- 9) (a) According to the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection 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.

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- (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 Rs. 000)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty demands including cenvat credit disputes	2,328	1996-97 to 2004-05	Appellate Commissioner
	Service Tax on services not eligible for Cenvat	515	2003-04	Appellate Commissioner
Central Excise Act, 1944	Excise duty demands including cenvat credit disputes	93	1996-97 to 1997-98	Assistant Commissioner
	Service Tax on services not eligible for Cenvat	953	2005-06 and 2006-07	Assistant Commissioner
Income tax	Assessment of taxable income	488	1991-92	Income Tax Appellate Tribunal
Income tax	Assessment of taxable income	6,342	2005-06	Income Tax Appellate Tribunal
Income tax	Assessment of taxable income	8,321	2006-07	Commissioner of Income Tax (Appeal) VIII

- 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 of 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 and Mistry
Chartered Accountants

Viraf R. Mehta
Partner
M. No. 32083

Mumbai, July 28, 2009

FIVE YEAR FINANCIAL HIGHLIGHTS

Description	2008-09	2007-08	2006-07	2005-06	2004-05
OPERATING RESULTS					
Income from Operations	1,466,810	1,420,059	1,149,491	1,017,640	805,359
Other Income	35,223	53,700	29,186	27,404	18,754
Profit before Depreciation, Interest & Tax	203,178	267,153	225,848	214,039	141,248
Interest	13,050	16,719	12,203	8,625	5,573
Depreciation	32,606	27,399	23,831	23,286	20,378
Profit before Tax	157,522	223,035	189,814	182,128	115,295
Profit after Tax	102,274	155,583	120,863	122,202	76,163
Dividends	40,929	40,929	35,082	35,082	29,236
Dividend per share (Rs.)	2.80	2.80	*2.4	12.00	10.00
Earning per share (Rs.)	7.00	10.64	*8.27	41.80	26.20
Book value per share (Rs.)	58.62	54.89	*47.52	210.04	181.93
FINANCIAL SUMMARY					
ASSETS EMPLOYED					
Fixes Assets (net)	299,644	298,040	264,060	270,428	268,791
Investments	111,981	89,552	192,914	172,876	143,495
Net Working capital	445,135	521,594	364,756	192,889	182,553
Total	856,760	909,186	821,730	636,193	594,839
FINANCED BY					
Share Capital	29,235	29,235	29,235	29,235	29,235
Reserves & Surplus	827,525	773,137	665,438	584,838	502,638
Loan Funds	-	106,814	127,057	22,120	62,966
Total	856,760	909,186	821,730	636,193	594,839

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

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BALANCE SHEET AS AT MARCH 31, 2009

	Schedule	As at 31.03.09 Rs.'000'	As at 31.03.08 Rs.'000'
SOURCES OF FUNDS			
1 Shareholders' Funds			
Share Capital	1	29,235	29,235
Reserves & Surplus	2	827,525	773,137
		856,760	802,372
2 Loan Funds			
Secured Loans	3	-	106,814
3 Deferred Tax Liability		37,545	37,607
		894,305	946,793
APPLICATION OF FUNDS			
4 Fixed Assets	4		
Gross Block		602,210	571,920
Less: Depreciation		306,755	278,144
Net Block		295,455	293,776
Capital Work-in-progress		4,189	4,264
		299,644	298,040
5 Investments	5	111,981	89,552
6 Current Assets, Loans and Advances			
Inventories	6	464,588	457,875
Sundry Debtors	7	247,774	279,675
Cash and Bank Balances	8	29,132	17,112
Loans and Advances	9	215,737	229,153
		957,231	983,815
Less: Current Liabilities and Provisions			
Liabilities	10	455,720	404,592
Provisions	11	18,832	20,022
		474,552	424,614
Net Current Assets		482,679	559,201
		894,305	946,793
Notes to Accounts	17		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report attached.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Viraf Mehta
Partner
M. No. F 32083
Mumbai, July 28, 2009

Vaibhav Bakhare
Company Secretary
Mumbai, July 28, 2009

Signatures to Balance Sheet and
Schedules 1 to 11 and 17

For and on behalf of the Board

P. Krishnamurthy
A. J. Patel
Darius C. Shroff
Tarak Patel
A. N. Mohanty

Chairman
Managing Director
Director
Executive Director
Financial Controller

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedule	Year ended 31.03.09 Rs.'000'	Year ended 31.03.08 Rs.'000'
INCOME			
Turnover (Gross)		1,608,212	1,562,421
Less: Excise Duty		141,402	142,362
Turnover (Net)		1,466,810	1,420,059
Other Income	12	35,223	53,700
		1,502,033	1,473,759
EXPENDITURE			
Cost of production	13	1,087,490	983,532
Operating expenses	14	118,149	113,180
Selling, general and administrative expenses	15	93,216	109,894
Depreciation		32,606	27,398
Interest and Financial Charges	16	13,050	16,719
		1,344,511	1,250,723
PROFIT BEFORE TAXATION		157,522	223,036
Provision for Taxation			
Current		53,100	52,500
Deferred		(62)	12,373
Fringe Benefit Tax		2,210	2,579
NET PROFIT FOR THE YEAR AFTER TAXATION		102,274	155,584
Surplus brought forward		494,675	402,577
AMOUNT AVAILABLE FOR APPROPRIATION		596,949	558,161
APPROPRIATIONS:			
Interim Dividend		40,929	40,929
Tax on distributed profit		6,956	6,956
Transfer to General Reserve		10,227	15,600
Surplus carried forward		538,837	494,675
		596,949	558,160
Basic and diluted earnings per share of Rs. 2 each	(Rs.)	7.00	10.64

Notes to Accounts

17

The Schedules referred to above form an integral part of the Profit and Loss Account.

As per our report attached.

Signatures to Profit & Loss Account and Schedules 12 to 17

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

For and on behalf of the Board

Viraf Mehta
Partner
M. No. F 32083
Mumbai, July 28, 2009

Vaibhav Bakhare
Company Secretary
Mumbai, July 28, 2009

P. Krishnamurthy
A. J. Patel
Darius C. Shroff
Tarak Patel
A. N. Mohanty

Chairman
Managing Director
Director
Executive Director
Financial Controller

GMM PFAUDLER LIMITED

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STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2009

	Year ended 31.03.09 Rs. '000'	Year ended 31.03.08 Rs. '000'
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	157,522	223,035
Adjustments to reconcile profit before tax to cash provided by operations		
Depreciation	32,606	27,399
Net (gain) / loss on sale of fixed assets	934	503
Net (gain) / loss on sale of Investment	(1,456)	(32,749)
Interest income	(6,853)	(2,961)
Interest expense	13,050	16,719
Dividend Income	(819)	(4,884)
Provision for doubtful debts, liquidated damages and advances	3,297	5,777
Diminution in value of Investment provided / (written back)	1,490	(481)
Unrealised foreign exchange fluctuation loss/(gain)	(15,485)	(14,411)
Operating profit before working capital changes	184,286	217,947
Adjustments for :		
Inventories	(6,713)	(94,723)
Trade and other receivables	57,258	(44,129)
Trade payables and other liabilities	49,716	108,212
Cash generated from operations	284,547	187,307
Direct Taxes paid	(55,065)	(66,070)
Net cash from/ (used in) operating activities	A 229,482	121,238
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(37,753)	(63,575)
Proceeds from sale of assets	2,609	1,695
Purchase of investments	(36,418)	(113,450)
Proceeds from sale of investments	13,956	250,043
Loan given to subsidiary	-	(123,970)
Interest received	6,853	2,961
Dividend received	819	4,884
Net cash from/ (used in) investing activities	B (49,934)	(41,413)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	106,814
Repayment of borrowings	(106,814)	(127,057)
Interest paid	(13,050)	(16,719)
Dividend paid	(40,708)	(39,258)
Tax on distributed profits	(6,956)	(6,707)
Net cash (used in)/from financing activities	C (167,528)	(82,927)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	A+B+C 12,020	(3,104)
Cash and Cash equivalents, beginning of the year	17,112	20,216
Cash and Cash equivalents, end of the year	29,132	17,112

Note: The company has been sanctioned credit facilities for working capital of Rs. 1,700 lakhs, of which facilities utilised as on March 31, 2009 were Rs. NIL.

As per our report attached.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Viraf Mehta
Partner
M. No. F 32083
Mumbai, July 28, 2009

Vaibhav Bakhare
Company Secretary
Mumbai, July 28, 2009

For and on behalf of the Board

P. Krishnamurthy Chairman
A. J. Patel Managing Director
Darius C. Shroff Director
Tarak Patel Executive Director
A. N. Mohanty Financial Controller

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	As at 31.03.09 Rs.'000'	As at 31.03.08 Rs.'000'
SCHEDULE 1		
SHARE CAPITAL		
Authorised: 25,000,000 Equity shares of Rs.2 each	50,000	50,000
Issued, Subscribed and Paid-up: 14,617,500 Equity shares of Rs.2 each fully paid	29,235	29,235
	29,235	29,235

Of the above shares:

- 7,454,400 Equity shares are held by Pfaudler Inc. USA, the holding company.
- 122,400 Equity Shares have been issued for consideration other than cash.
- 8,586,500 Equity shares have been issued as bonus shares, by capitalisation of reserves and share premium account.

SCHEDULE 2

RESERVES AND SURPLUS

Capital Reserve Balance as per last balance sheet	17	17
Cash Subsidy Reserve Balance as per last Balance Sheet	695	695
Share Premium Account Balance as per last Balance Sheet	149,284	149,285
General Reserve Balance as per last Balance Sheet	128,465	112,865
Transfer from Profit and Loss account	10,227	15,600
	138,692	128,465
Profit and Loss Account	538,837	494,675
	827,525	773,137

SCHEDULE 3

SECURED LOANS

From Banks:		
Buyers Credit	-	19,142
Cash Credit	-	87,672
	-	106,814

Note: The credit facilities from a bank are secured by hypothecation of inventories and book debts and first charge over fixed assets situated at the Company's factory at Karamsad.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

**SCHEDULE 4
FIXED ASSETS**

ASSETS	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	As on 01.04.08	Additions	Deductions	As on 31.03.09	Upto 01.04.08	For the Year	On Deductions	Upto 31.03.09	As on 31.03.09	As on 31.03.08		
	(Rs.'000')											
Freehold land	2,316	-	-	2,316	-	-	-	-	2,316	2,316		
Leasehold land	1,154	-	-	1,154	412	12	-	424	730	1,154		
Lease improvement	5,642	-	-	5,642	1,837	615	-	2,452	3,190	3,393		
Buildings	122,350	7,820	-	130,170	29,221	2,788	-	32,009	98,161	93,129		
Plant & machinery	403,181	18,377	5,461	416,097	230,103	25,995	2,271	253,827	162,270	173,078		
Furniture & Fixtures	16,730	6,879	1,717	21,892	10,633	849	1,624	9,858	12,034	6,097		
Vehicles	19,623	4,752	360	24,015	5,490	2,259	100	7,649	16,366	14,133		
Assets acquired under finance lease:												
Vehicles	924	-	-	924	448	88	-	536	388	476		
Total	571,920	37,828	7,538	602,210	278,144	32,606	3,995	306,755	295,455	293,776		
Previous Year Total	519,505	59,312	6,897	571,920	255,445	27,399	4,700	278,144	293,776	-		
Capital work-in-progress									4,189	4,264		
									299,644	298,040		

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	Face value Rupees	Number		Cost	
		As at 31.03.09	As at 31.03.08	As at 31.03.09 Rs. '000'	As at 31.03.08 Rs. '000'
SCHEDULE 5					
INVESTMENTS					
1. Long Term Investments (Fully paid)					
(a) Trade Investments					
Quoted Equity shares					
Abbott India Ltd.	10	100	100	5	5
BASF India Ltd.	10	245	245	12	12
Bayer (India) Ltd.	10	50	50	4	4
Ciba Speciality Chemicals (India) Ltd.	10	35	35	-	-
Clariant Chemical India - (Formerly Colour Chem Ltd.)	10	50	50	3	3
Dharamshi Morarji Chemicals Co. Ltd.	10	100	100	4	4
Excel Crop Care Ltd.	5	112	112	-	-
Excel Industries Ltd.	5	112	112	10	10
Futura Polyester Ltd.(Formerly Indian Organic Chemicals Ltd.)	10	100	100	1	1
Glaxo Smithkline Pharmaceuticals Ltd.	10	122	122	7	7
Gujarat Heavy Chemicals Ltd.	10	100	100	2	2
Gujrat Glass Ltd.	10	19	19	-	-
Hico Products Ltd.	10	625	625	6	6
IDI Ltd.	10	66	66	3	3
Kansai Nerolac Paints Ltd.	10	333	333	10	10
Kojam Fininvest Ltd.	10	19	19	-	-
Nestle India Ltd.	10	93	93	6	6
Piramal Healthcare Ltd. (Formerly Nicholas Piramal India Ltd.)	2	390	390	-	-
Novartis (India) Ltd.	5	70	70	7	7
Peninsula Land Ltd.	2	1,040	1,040	4	4
Pfizer Ltd.	10	135	135	11	11
Shubh Shanti Services Ltd.	10	39	39	-	-
SI Group - India Ltd. (Formerly Herdillia Chemicals Ltd.)	10	50	50	5	5
Tata Chemicals Ltd.	10	161	161	7	7
United Phosphorus Ltd.	2	3,750	3,750	405	405
Wyeth Ltd.	10	50	50	6	6
				518	518
				19	19
				499	499
Less : Provision for diminution in the value of Investments					
(b) Other Investments					
Quoted Equity Shares					
Skyline Millars Ltd. (Formerly Millars India Ltd.) (a company under the same management)	1	1,406,000	140,600	1,933	1,933
Nile Ltd.	10	286,200	286,200	12,565	12,565
				14,498	14,498
Unquoted Non convertible debentures					
Hico Products Ltd.	150	125	125	-	-
Balance carried forward				14,997	14,997

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

SCHEDULE 5

INVESTMENTS (Continued)

	Face value Rupees	Number		Cost	
		As At 31.03.09	As At 31.03.08	As At 31.03.09 Rs. '000'	As At 31.03.08 Rs. '000'
Balance brought forward				14,997	14,997
(c) Subsidiary Companies					
Unquoted Equity Shares					
GMM Mavag AG	CHF 1,000	1,500	1,500	52,275	52,275
Karamsad Investments Ltd.	10	260,000	260,000	2,600	2,600
Karamsad Holdings Ltd.	10	350,000	350,000	3,500	3,500
				58,375	58,375
(d) Shares in Co-operative Societies Unquoted					
Karamsad Urban Co-op. Bank Ltd.	10	1,200	1,200	12	12
Charotar Gas Sahakari Mandli Ltd	500	10	10	5	5
				17	17
2. Current Investments					
Unquoted Mutual Funds					
Prudential ICICI Fusion Fund Series - II Retail Growth	10	366,269	366,269	3,663	3,663
Redeemed during the year:					
DWS Fixed Term Fund-Series 18 - Regular Plan	10	-	250,000	-	2,500
Prudential ICICI FMP Series 34-17 Months Plan-Retail-Growth	10	-	1,000,000	-	10,000
Acquired during the year:					
HDFC Fixed Maturity Plan Series VIII	10	1,000,000	-	10,000	-
Kotak FMP 12M Series 7	10	1,000,000	-	10,000	-
HSBC Income Fund - Short Term Plan - Dividend	10	414,389	-	4,461	-
23 ICICI Prudential Short Term Plan - Dividend Reinvest	10	550,595	-	5,990	-
DSPML Short Term Fund Monthly - Dividend	10	562,640	-	5,968	-
				40,082	16,163
Provision for diminution in value of Investments				1,490	-
				38,592	16,163
Total Investments				111,981	89,552
Note : Aggregate book value of investments					
Quoted				14,997	14,997
Unquoted				96,984	75,054
				111,981	89,552
Market value of quoted investments				21,420	60,153

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	As at 31.03.09 Rs.'000'	As at 31.03.08 Rs.'000'
SCHEDULE 6		
INVENTORIES		
(at lower of cost and net realisable value)		
Stores and spares	19,925	22,876
Raw materials	189,505	160,663
Work-in-progress	233,005	268,785
Finished goods	22,153	5,551
	464,588	457,875
SCHEDULE 7		
SUNDRY DEBTORS		
(Unsecured and considered good)		
Debts outstanding over six months		
- Considered good	32,716	15,938
- Considered doubtful	34,969	31,224
	67,685	47,162
Other debts		
- Considered good	215,058	263,737
- Considered doubtful	5,968	6,416
	221,026	270,153
Less: Provision for doubtful debts	40,937	37,640
	247,774	279,675
SCHEDULE 8		
CASH AND BANK BALANCES		
Cash and cheques on hand	681	562
Balances with scheduled banks		
- in current accounts	27,026	15,125
- in deposit accounts (under lien)	1,425	1,425
	29,132	17,112

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SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	As at 31.03.09 Rs.'000'	As at 31.03.08 Rs.'000'
SCHEDULE 9		
LOANS AND ADVANCES		
(Unsecured and considered good)		
Loans to subsidiaries	167,558	152,087
Advances recoverable in cash or in kind or for value to be received (including Rs. 4,797 thousand, previous year Rs. 4,797 thousand considered doubtful)	27,393	37,992
Deposits (including Rs. 1,473 thousand, previous year Rs. 1,473 thousand considered doubtful)	19,894	34,474
Balance with central excise authorities	6,611	10,074
Advance payment of taxes (Net of provision for tax Rs. 303,584 thousand, previous year Rs. 248,984 thousand)	551	795
	222,007	235,423
Less: Provision for doubtful advances/deposits	6,270	6,270
	215,737	229,153
SCHEDULE 10		
CURRENT LIABILITIES		
Sundry creditors		
-Outstanding dues of micro, small and medium enterprises	7,759	5,979
-Other creditors	185,694	174,347
Advances from customers	196,180	130,028
Investor Education and Protection Fund *		
Unclaimed dividend	1,401	1,179
Unclaimed matured deposits	6	36
Other liabilities	54,447	82,790
Interim dividend payable	10,232	10,232
	455,720	404,592
* The said fund will be credited with the amounts outstanding and unclaimed on the respective due dates.		
SCHEDULE 11		
PROVISIONS		
Provision for tax on distributed profits	1,739	1,739
Provision for Compensated absences	6,234	3,505
Provision for unexpired warranty	10,859	14,778
	18,832	20,022

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Year ended 31.03.09 Rs.'000'	Year ended 31.03.08 Rs.'000'
SCHEDULE 12		
OTHER INCOME		
Dividend	819	4,884
Interest *		
- On deposits	234	175
- Others	6,853	2,786
Bad and doubtful debts recovered	811	382
Provision for diminution in value of Investments written back	-	481
Profit on sale of long term Investments	-	32,698
Profit on sale of current Investments	1,456	51
Miscellaneous Income	6,319	8,298
Foreign exchange gain	18,731	3,945
	35,223	53,700

* Tax deducted at source Rs. 40 thousand, previous year Rs. 30 thousand.

SCHEDULE 13
COST OF PRODUCTION

Materials consumed:		
Stocks as at the commencement of the year	160,663	212,818
Add : Purchases during the year	795,147	775,130
	955,810	987,948
Less : Stocks as at the close of the year	189,505	160,663
	766,305	827,285
Employee costs:		
- Wages	33,980	35,915
- Contribution to provident and other funds	2,170	2,163
Labour charges	109,806	107,733
Power and fuel	76,252	73,751
Stores and spares consumed	79,799	80,629
(Increase)/ Decrease in stock of finished goods and work in progress	19,178	(143,944)
	1,087,490	983,532

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Year ended 31.03.09 Rs.'000'	Year ended 31.03.08 Rs.'000'
SCHEDULE 14		
OPERATING EXPENSES		
Employee costs:		
- Salaries and allowances	74,457	71,733
- Contribution to provident and other funds	7,539	5,912
- Staff welfare	11,028	10,090
Repairs and maintenance:		
- Plant and machinery	10,091	10,231
- Buildings	678	197
- Others	123	166
Insurance	4,101	4,656
Rent	6,962	6,795
Rates and taxes	3,170	3,400
	118,149	113,180

SCHEDULE 15

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Royalty	6,710	8,380
Travel and conveyance	18,404	19,464
Communication	4,666	5,760
Bad debts written off	6,589	6,610
Provision for doubtful debts and advances	1,266	1,313
Provision for Warranty expenses / (reversal)	(3,907)	2,343
Advertisement and sales promotion	6,273	3,500
Commission	3,791	3,747
Legal and professional fees	8,793	20,684
Auditors' remuneration	2,287	2,411
Freight outward	13,822	13,427
Dimination in value of Investment	1,490	-
Loss on sale of fixed assets	934	503
Other expenses	22,098	21,752
	93,216	1,09,894

SCHEDULE 16

INTEREST AND FINANCIAL CHARGES

Interest on cash credit, etc.	7,441	12,621
Other interest and financial charges	5,609	4,098
	13,050	16,719

SCHEDULE 17: NOTES FORMING PART OF THE ACCOUNTS

1. BACKGROUND

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

The Company has entered into an investment and technical know-how agreement with Pfaudler Inc. USA ('Pfaudler') a Company incorporated in the United States of America, which owns 51 percent of the total issued share capital of the Company.

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 specified in 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 long term and current investments.

(ii) 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.

(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 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.

h) Revenue Recognition

Sales of products and services are recognized on dispatch/delivery of the goods or when services are rendered. 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 benefits 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 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, 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.

3. INVESTMENTS

- a) The Company had during the year 1998-99 acquired 286,200 equity shares of the face value of Rs.10 each in the capital of Nile Limited ("Nile"), which represents 9.57% of the paid-up capital of Nile for an amount of Rs.12,565 thousand. The company's wholly owned subsidiaries had also acquired 333,895 equity shares (11.17% of the paid-up share capital) of Nile for an amount of Rs.19,559 thousand. The Board of Directors of Nile had rejected the registration of transfer of the said shares.

The dispute regarding registration of the said shares of Nile was pending in appeal with Company Law Board and the H'onble Andhra Pradesh High Court.

The Company, its subsidiaries and Nile have settled the dispute relating to registration of transfer of the said shares vide a Memorandum of Compromise approved by the H'onble Andhra Pradesh High Court on April 2, 2009.

As per the Memorandum of Compromise, Nile has agreed to register the transfer of the said shares in the name of the Company and its subsidiaries. The Company has agreed to sell all the shares other than as a block deal within a period of 36 months. Nile has agreed to pay the Company and its subsidiaries all the unpaid dividends till date and the Company and its subsidiaries have agreed to pay Nile a sum of Rs. 10,000 thousand by way of cost.

b) The Company has purchased and sold the following investments during the year:

Name of the investment	Current year		Previous year	
	No. of Units	Amount Rs. '000'	No. of Units	Amount Rs. '000'
DSP Merrill Lynch Liquid Fund - Dividend Reinvestment	-	-	2,222,572	22,248
Franklin India Prima Plus - Growth	-	-	50,628	8,144
HDFC Cash management Fund Savings Plan -Dividend	-	-	55,603	591
HDFC Equity fund - Growth Option	-	-	28,022	4,333
Prudential ICICI Indo Asia Fund	-	-	977,995	10,000
Prudential ICICI - Liquid Plan - Weekly Dividend	-	-	46,920	555
Reliance Interval Fund	-	-	1,000,000	10,000
Reliance Vision Fund - Growth	-	-	20,783	5,000
Templeton India Treasury Management Account Regular Plan - Weekly Dividend Reinvestment	-	-	243	302

4. SUNDRY DEBTORS

Sundry Debtors include the following amount due from a subsidiary company:

Name of Company	As at 31.03.09	As at 31.03.08
Mavag AG	1,333	130

5. LOANS AND ADVANCES

a. Advances to subsidiaries

	Maximum Balance during the year	Current Year	Previous Year
Karamsad Investments Ltd.	12,364	12,364	12,364
Karamsad Holdings Ltd.	1,403	1,403	1,403
GMM Mavag AG	153,790	153,790	138,320

b. Deposits include earnest deposit of Rs. 961 thousand (Previous year Rs. 16,961 thousand) paid to Skyline Millars Ltd. (Formerly Millars India Ltd.) and Rs. 9,411 thousand (Previous year Rs. 9,871 thousand) paid to Ready Mix Concrete Limited, being companies in which two directors of the Company are interested. The MOU for purchase of the factory shed did not materialize and stands cancelled now. The deposit of Rs. 16,000 thousand is received back from Skyline Millars Ltd. (Formerly Millars India Ltd.). However the lease agreements with Skyline Millars Ltd. (Formerly Millars India Ltd.) for use of factory sheds continues.

6. Balances of loans and advances are subject to confirmation.

7. CURRENT LIABILITIES

Disclosure of sundry creditors 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, 2009 to Micro, Small and Medium Enterprises on account of principal amount together with interest, aggregate to Rs. Nil (Previous year – Rs. Nil)

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.

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8. PROVISIONS

Rs. '000'

	Opening Balance	Additions	Reversals	Closing Balance
Provision for compensated absences	3,505	3,777	1,048	6,234
Provision for unexpired warranty	14,778	954	4,872	10,860
Total	18,283	4,731	5,920	17,094

9. OPERATING LEASE

The company's significant leasing arrangements are in respect of operating leases for factory shed/premises and guesthouse. These lease agreements, which are not non-cancellable, range up to 120 months and are usually renewable by mutual consent on mutually agreeable terms.

The total future minimum lease payments under non-cancelable operating lease are as under:

Rs. '000'

Period	As at 31.03.09	As at 31.03.08
Payable within one year	5,976	6,066
Payable later than one year and not later than five year	11,330	14,492
Payable later than five year	Nil	1,964

10. DEFERRED TAX LIABILITY

The break up of deferred tax liability arising due to the tax effect of timing differences between taxable income and accounting income, is as under

	As at 31.03.09 Rs. '000'	As at 31.03.08 Rs. '000'
Deferred Tax Liability		
Depreciation	48,323	47,413
Lease rentals	132	162
	48,455	47,575
Deferred tax assets		
Technical know how fees	197	263
Provision for doubtful debts / advances	10,200	9,705
Provision for diminution in value of investments	513	-
	10,910	9,968
Net deferred tax liability	37,545	37,607

11. CONTINGENT LIABILITIES

a) Claims against the Company not acknowledged as debts:

i) Dispute relating to Cenvat Credit	4,100	4,105
ii) Disputed Income Tax demands	15,151	15,151

b) Guarantees issued by bank

176,450 107,581

12. CAPITAL COMMITMENT

Estimated value of contracts remaining to be executed on capital account, to the extent not provided

7,802 3,711

13. Turnover includes sales commission Rs. Nil (previous year Rs.1,118 thousand)

14. LICENSED AND INSTALLED CAPACITIES AND PRODUCTION

		Unit	Installed Capacity per annum		Production	
			As at 31.03.09	As at 31.03.08	Year Ended 31.03.09	Year Ended 31.03.08
1.	Enameled acid alkali resistant chemical equipment consisting of	Litres (in'000)	6,000	6,000	3,611	3,487
a.	Autoclaves suitable for 3.5 atmosphere working pressure having capacity up to 10,000 litres.					
b.	Distilling plant varying in capacity from 100/1,000 to 5,000/10,000 litres					
	c. Evaporating pans varying in capacity from 100 ltrs. to 20,000 litres, crystallizing pressure filters, valves and condensers.					
2.	Mild Steel equipment such as reaction vessels, storage tanks, fractionation towers, driers, heat exchangers, condensers, ducting blenders and pressure vessels	MT				
3.	Stainless steel equipment such as reaction vessels, storage tanks, evaporating pans, absorption towers, fractionation towers, driers, heat exchangers, condensers, ducting blenders and pressure vessels.	MT	*	*	276	337
4.	Fusion seamed products and Isostatic moulded products consist of					
a.	Carbon Steel PTFE pipe	Mtr.	7,500	7,500	-	177
b.	Dip pipe and sparger	Nos.	750	750	42	68

Notes:

- Licensed capacity is not applicable in terms of Government of India's Notification No. S.O.477(E) dated 25th July ,1991.
- Installed capacities have been certified by the management of the Company and not verified by the auditors.
- Installed capacities in respect of products not currently manufactured have not been given.
- Production quantities in items 2 and 4 include job orders subcontracted to third parties and broad-banding of installed capacities.
- The installed capacity of Mild Steel equipments and Stainless steel equipment is not determined and therefore not included in the above table.

15. INVENTORIES

	Items	Units	As at 31.03.09		As at 31.03.08		As at 31.03.07	
			Qty	"Value Rs. '000"	Qty	"Value Rs. '000"	Qty	"Value Rs. '000"
1.	Enameled acid & alkali and chemical equipment	"Litres (in '000)"	96	14,850	10	1,832	-	-
2.	Mild steel and stainless steel equipment	MT	3	5,493	6	3,563	1	202
3.	Fusion seamed products and Isostatic moulded products							
	- Carbon steel PTFE pipes	Meters	-	-	-	-	-	-
	- Dip pipes and sparger	Nos.	-	-	-	-	-	-
4.	Others			1,810		1,478		199
	Total			22,153		6,873		401

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16. SALES

Items	Units	As at 31.03.09		As at 31.03.08	
		Qty	"Value Rs. '000"	Qty	"Value Rs. '000"
1. Enameled acid & alkali and chemical equipment	"Litres (in '000)"	3,524	728,620	3,477	819,471
2. Mild steel and stainless steel equipment	MT	294	622,934	317	407,292
3. Fusion seamed products and Isostatic moulded products					
- Carbon steel PTFE pipes	Meters	-	-	177	656
- Dip pipes and sparger	Nos.	42	2,474	68	4,204
4. Others			112,782		188,435
Total			1,466,810		1,420,058

17. RAW MATERIALS AND COMPONENTS CONSUMED

Items	Units	As at 31.03.09		As at 31.03.08	
		Qty	"Value Rs. '000"	Qty	"Value Rs. '000"
1. Mild Steel	MT	4,786	284,069	5,184	259,690
2. Stainless Steel, Brass and Copper	MT	294	66,272	352	119,380
3. Pipes	Meters	229,844	92,833	79,686	63,698
Teflon Powder	KG	5,954	3,088	8,026	4,159
Motors. Gears. Mechanical Seals			86,759		90,527
4. Others			241,768		289,831
Total			766,305		827,285

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

Items	As at 31.03.09		As at 31.03.08	
	Percent	"Value Rs. '000"	Percent	"Value Rs. '000"
1. Raw materials (including components)				
- Imported (at landed cost)	3	25,754	8	62,746
- Indigenous	97	740,551	92	764,706
	100	766,305	100	827,451
2. Stores and spare parts				
- Imported (at landed cost)	1	701	1	933
- Indigenous	99	79,098	99	79,696
	100	79,799	100	80,629

19. VALUE OF IMPORTS ON CIF BASIS

 Raw material and components
 Stores and spares

Year ended 31.03.09 Rs. '000'	Year ended 31.03.08 Rs. '000'
74,784	80,267
2,412	37,937
77,196	118,204

20. EXPENDITURE IN FOREIGN CURRENCY

 Royalty
 Foreign travel
 Technical Services, Consultancy, Commission, etc

6,710	8,380
4,859	2,775
13,134	14,853
24,703	26,008

	Year ended 31.03.09 Rs. '000'	Year ended 31.03.08 Rs. '000'
21. DIVIDEND REMITTED IN FOREIGN CURRENCY		
4th Interim Dividend for 2006-07 on 7,454,400 Shares of Rs. 2/- each.		4,473
1st Interim Dividend for 2007-08 on 7,454,400 Shares of Rs. 2/- each.		5,218
2nd Interim Dividend for 2007-08 on 7,454,400 Shares of Rs. 2/- each.		5,218
3rd Interim Dividend for 2007-08 on 7,454,400 Shares of Rs. 2/- each.		5,218
4th Interim Dividend for 2007-08 on 7,454,400 Shares of Rs. 2/- each.	5,218	
1st Interim Dividend for 2008-09 on 7,454,400 Shares of Rs. 2/- each.	5,218	
2nd Interim Dividend for 2008-09 on 7,454,400 Shares of Rs. 2/- each.	5,218	
3rd Interim Dividend for 2008-09 on 7,454,400 Shares of Rs. 2/- each.	5,218	
Number of (non-resident) shareholders	1	1
22. EARNINGS IN FOREIGN CURRENCY		
FOB value exports	122,984	218,464
Commission	-	7,916
	<u>122,984</u>	<u>226,380</u>
23. AUDITORS REMUNERATION		
Audit fees	1,100	850
Tax audit fees	125	125
Other services		
- Certification	655	844
- Consultation and management services	303	500
Reimbursement of out-of-pocket expenses	104	92
	<u>2,287</u>	<u>2,411</u>
24. MANAGERIAL REMUNERATION		
Salary and allowances	5,154	4,966
Provident and other funds	1,244	1,306
Perquisites (estimated monetary value)	291	243
Commission	3,600	4,200
	<u>10,289</u>	<u>10,715</u>
25. Computation of net profits in accordance with Section 349 of the Companies Act, 1956 and the remuneration payable to Managing Director and Executive Director		
Profit before tax as per statement of profit and loss	157,522	223,035
Add: Managerial Remuneration	10,289	10,714
Directors' fees	355	550
Depreciation as per accounts	32,606	27,399
Provision for diminution in value of investment	1,490	(481)
Provision for doubtful debts/advances	1,266	1,313
	<u>203,528</u>	<u>262,530</u>
Less: Profit/(Loss) on sale of fixed assets as per books	(934)	(503)
Profit on sale of investments	1,456	32,749
Depreciation under Section 350	32,606	27,399
Net profit under Section 198 of the Companies Act, 1956	<u>170,400</u>	<u>202,885</u>
Remuneration payable @ 10% on the above	<u>17,040</u>	<u>20,289</u>
Managerial remuneration to Managing Director and Executive Director	<u>10,289</u>	<u>10,714</u>

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	As at 31.03.09	As at 31.03.08
26. EMPLOYEE BENEFITS		
The amounts recognised in the company's financial statements as at the year end are as under:		
Gratuity:		
a Assumptions :		
Discount Rate	7.00%	8.00%
Rate of Return on Plan Assets	7.00%	8.00%
Salary Escalation	6.00%	4.50%
	As at 31.03.09 (Rs. '000)	As at 31.03.08 (Rs. '000)
b Table showing changes in Benefit Obligation:		
Liability at the beginning of the year	27,220	25,092
Interest cost	2,178	1,882
Current service cost	1,698	1,478
Benefit paid	(6,265)	(1,681)
Actuarial (gain)/loss on obligations	9,396	449
Liability at the end of the year	34,227	27,220
c Change in Plan Assets:		
Fair value of Plan Assets at the beginning of the year	39,789	35,057
Expected Return on Plan Assets	3,183	2,629
Contributions	1,727	2,982
Benefit Paid	(6,265)	(1,681)
Actuarial gain / (loss) on Plan Assets	464	802
Fair value of Plan Assets at the end of the year	38,897	39,789
Total Actuarial Gain / (Loss) to be recognised	(8,932)	352
d Actual Return on Plan Assets:		
Expected Return on Plan Assets	3,183	2,629
Actuarial gain / (loss) on Plan Assets	464	802
Actual Return on Plan Assets	3,647	3,431
e Amount Recognised in the Balance Sheet:		
Liability at the end of the year	34,227	27,220
Fair value of Plan Assets at the end of the year	38,897	39,788
Difference	(4,670)	(12,568)
Amount Recognised in the Balance Sheet	(4,670)	(12,568)
f Expenses Recognised in the Income Statement		
Current Service cost	1,698	1,478
Interest Cost	2,178	1,882
Expected return on Plan Assets	(3,183)	(2,629)
Net Actuarial (gain) / loss to be recognised	8,932	(353)
Expense Recognised in P&L	9,625	378
g Balance Sheet Reconciliation		
Opening Net Liability	(12,568)	25,092
Expenses as above	9,625	3,618
Employers Contribution	(1,727)	(1,490)
Amount Recognised in Balance Sheet	(4,670)	27,220
h Other Details		
Gratuity is payable at the rate of 15 days salary for each year of service subject to a maximum of Rs. 350 thousand		
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.		

	Year ended 31.03.09 Rs. '000'	Year ended 31.03.08 Rs. '000'
27. BASIC AND DILUTED EARNING PER SHARE		
(a) Net profit for the year available to equity shareholders	102,274	155,583
Weighted average number of Equity Shares during the year	14,617,500	14,617,500
(b) Face value of Equity Share in Rs.	2	2
(c) Basic and diluted earnings per share Rs.	7.00	10.64

28. RELATED PARTY DISCLOSURES

(I) List of Related parties

(a) Parties where control exists:

- (i) Ultimate Holding Company : Robbins & Myers Inc.
- (ii) Holding Company: : Pfaudler Inc.
- (iii) Subsidiary Companies: : GMM Mavag AG
Mavag AG
Karamsad Holdings Ltd.
Karamsad Investments Ltd.

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

- (i) Fellow Subsidiaries: : Pfaudler Werke GMBH
Pfaudler Balfour Ltd.
Edlon PSI Inc.
Chemineer Inc.
Suzhou Pfaudler Glass Lined Equipment Co. Limited
Robbins & Myers Singapore Private Limited
Glass Steel Parts and Services
- (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 Ashok J. Patel)
Mrs. Uttara G. Gelhaus (Daughter of Ashok J. Patel)
- (iv) Enterprises over which persons in (b)(ii) or (b)(iii) are able to exercise significant influence. : Skyline Millars Ltd. (Formerly Millars India Ltd.)
Glass Lined Equipment Co. Ltd.
Ready Mix Concrete Ltd.
Dietrich Engineering Consultants India Pvt. Ltd.
J.V. Patel & Co.

28. Related Party Disclosures (Continued)

(II) Transactions with related parties

Rs. '000'

Transaction	Ultimate Holding Company		Holding Company		Subsidiary Companies		Fellow Subsidiaries		Key Management Personnel		Relative of Key Management Personnel		Other Related Parties	
	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
Purchase of goods	-	-	-	-	3,128	-	1,874	9,403	-	-	-	-	927	8,598
Sale of goods	-	-	2,978	230	18,042	1,300	15,530	2,184	-	-	-	-	-	199
Purchase of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receiving of services	-	-	-	-	80	-	753	-	-	-	-	-	23,672	12,829
Sales commission received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty paid	-	-	6,710	8,353	-	-	-	-	-	-	-	-	-	-
Lease Rent paid	-	-	-	-	-	-	-	-	-	-	-	-	6,140	6,305
Remuneration paid	-	-	-	-	-	-	-	-	13,896	14,406	-	-	-	-
Interest received	-	-	-	-	5,775	1,587	-	-	100	157	-	-	-	-
Dividend paid	-	-	20,872	20,127	-	-	-	-	3,389	3,386	841	-	-	-
Deposit given	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit received back	-	-	-	-	-	-	-	-	-	-	-	-	16,000	-
Commission received on services provided	4,581	5,743	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses	926	1,056	-	-	-	-	12	-	-	-	-	-	-	-
Balance outstanding as on March 31, 2009														
Payables	-	-	7,276	18,700	2,703	-	8,452	12,343	4,448	5,047	210	210	5,516	3,978
Receivables	-	11,150	3,208	164	177,223	153,805	20,903	14,536	1,610	1,925	-	-	-	-
Deposit outstanding	-	-	-	-	-	-	-	-	-	-	-	-	10,372	26,832

28 (III) Significant Related Party Transactions are as under:
Rs. '000'

Nature of transactions		Year Ended 31.03.09	Year Ended 31.03.08
Purchase of goods	Mavag AG	3,128	-
	Pfaudler Werke GMBH	1,218	1,481
	Glass Lined Equipment Co. Ltd.	133	8,482
	Pfaudler Balfour Ltd.	15	7,642
Sale of goods	Mavag AG	18,042	1,300
	Pfaudler Werke GMBH	8,881	-
	Pfaudler Balfour Ltd.	4,693	1,907
	Pfaudler Inc.	2,978	230
	Suzoh Pfaudler	1,956	277
Receiving Services	Ready Mix Concrete Ltd.	12,784	10,765
	Glass Lined Equipment Co. Ltd.	5,836	-
	Skyline Millars Ltd. (Formerly Millars India Ltd.)	5,023	2,064
	Pfaudler Balfour Ltd.	715	-
Lease rent paid	Skyline Millars Ltd. (Formerly Millars India Ltd.)	4,678	4,586
	Ready Mix Concrete Ltd.	1,444	1,719
Royalty paid	Pfaudler Inc.	6,710	8,353
Remuneration paid	Mr. Ashok J. Patel	7,975	8,709
	Mr. Ashok Pillai	3,607	3,692
	Mr. Tarak A. Patel	2,314	2,005
Interest Received	GMM Mavag AG	5,775	1,587
Dividend paid	Pfaudler Inc.	20,872	20,127
	Mr. Ashok J. Patel	2,905	2,905
Commission on services provided	Robbins & Myers Inc.	4,581	5,743
Reimbursement of claim / expenses	Robbins & Myers Inc.	926	1,056
Balances outstanding as on March 31, 2009			
Payables	Pfaudler Inc.	7,276	18,700
	Pfaudler Balfour Ltd.	6,186	9,711
	Mr. Ashok J. Patel	4,326	4,926
	Pfaudler Werke GMBH	960	1,707
Receivables	GMM Mavag AG	162,122	139,907
	Pfaudler Balfour Ltd.	16,534	13,130
Deposit outstanding	Ready Mix Concrete Ltd.	9,411	9,871
	Skyline Millars Ltd. (Formerly Millars India Ltd.)	961	16,961

Particulars	Rs. '000'							
	Chemical Processing Equipment		Mixing Systems		Filtration/Separation Equipment & Others		Total	
	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
Year Ended								
Revenue:								
Total External sales	1,277,660	1,249,877	83,101	91,383	106,049	78,799	1,466,810	1,149,491
Segment Results:								
Profit/(Loss) before Tax and Interest	165,479	224,385	8,819	11,746	8,027	10,479	182,325	202,017
Unallocated income/(Expense) (Net)							(11,753)	(6,856)
Less: Interest		-		-		-	13,050	16,719
Profit Before Tax		-		-		-	157,522	178,442
Taxes		-		-		-	55,248	67,452
Net Profit after Tax		-		-		-	102,274	110,990
Segment Assets	874,442	924,938	43,775	47,793	48,036	55,503	966,253	1,028,234
Unallocated Assets							402,053	343,173
Total Assets							1,368,306	1,371,407
Segment liabilities	406,765	340,518	28,548	26,229	35,389	24,050	470,702	390,797
Unallocated Liabilities							40,843	71,424
Total Liabilities							511,545	462,221
Capital Expenditure	10,973	59,012	-	300	-	-	10,973	59,312
Unallocated Capital Expenditure							24,475	-
Depreciation	28,304	23,782	326	274	1,368	1,151	29,998	27,399
Unallocated depreciation		-	-	-	-	-	2,608	-

29. SEGMENT REPORTING (Continued)

(b) Secondary segment reporting by geographical segment:

Rs.'000'

Particulars	Within India		Outside India		Total	
	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
Year Ended	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
Revenue	1,343,826	1,201,595	122,984	218,464	1,466,810	1,420,059

Notes:

- 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.
- 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"

30. HEDGING CONTRACTS

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

in '000'

	Year ended 31.03.09		Year ended 31.03.08	
	Receivable	Payable	Receivable	Payable
- US Dollar	498	325	934	44
- Euro	217	15	638	78
- GBP	56	2	1	2
- CHF	3,722	6	3,543	-

31. Prior year's figures have been regrouped where necessary.

32. Additional Information as required under part IV of schedule VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(a) Registration details

Registration number	:	1,171
State code	:	04
Balance sheet date	:	March 31, 2009

(b) Capital raised during the year

Public issue	:	NIL
Right issue	:	NIL
Bonus issue	:	NIL
Private Placement	:	NIL

(c) Position of mobilization and deployment of funds

Total Liabilities	:	894,305
Total Assets	:	894,305

Sources of funds

Paid-up Capital	:	29,235
Reserve and surplus	:	827,525
Secured Loans	:	-
Deferred Tax Liability	:	37,545

Application of funds

Net fixed assets	:	299,644
Investments	:	111,981
Net Current Assets	:	482,680
Miscellaneous Expenditure	:	-

(d) Turnover

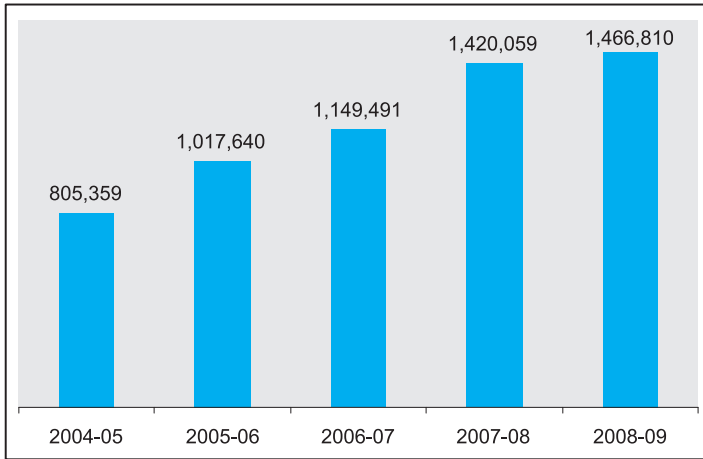
Total Expenditure (net of other income)	:	1,466,810
Profit/(Loss) before tax	:	1,309,288
Profit/(Loss) after tax	:	157,522
Earning per share in Rs.	:	102,274
Dividend rate %	:	7
	:	140%

(e) Generic names of the three principal product/services of the company

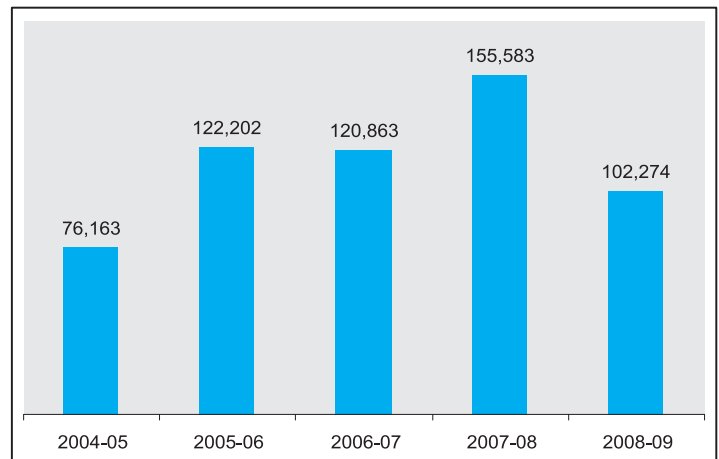
Item Code no. (ITC Code)	:	8419
Product Description	:	Glasslined equipment and Wiped film evaporators
Item Code No. (ITC Code)	:	390460
Product Description	:	Fluro-polymer Products
Item Code No.(ITC Code)	:	8421
Product Description	:	Nutsche Filters

5- YEARS FINANCIAL HIGHLIGHTS 2004-2005 TO 2008 - 2009

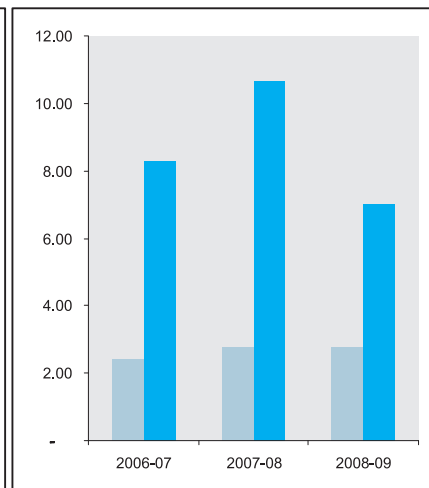
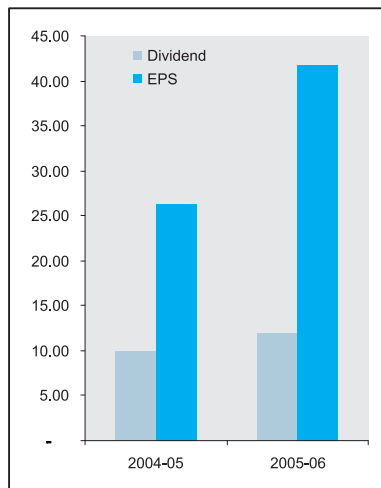
Income from Operation (Rs. '000')



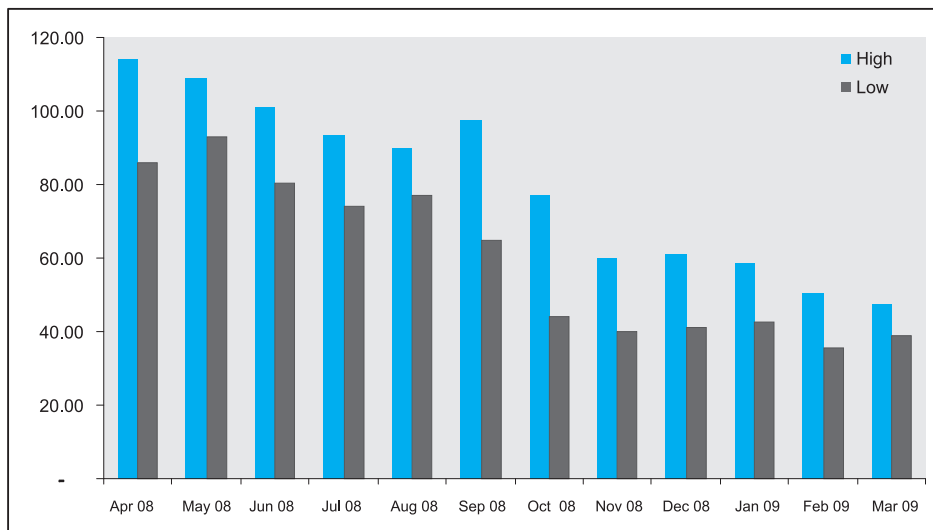
Profit After Tax (Rs. '000')



Dividends (Rs.) & Earning per share (Rs.)



Market Price (Rs.)



REPORT OF THE AUDITORS

THE BOARD OF DIRECTORS OF GMM PFAUDLER LIMITED

1. We have examined the attached Consolidated Balance Sheet of GMM Pfaudler Limited and its subsidiaries as at March 31, 2009 and the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of GMM Pfaudler Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiary companies, whose financial statements reflect the group's share of total assets of Rs. 453,243 thousand as at March 31, 2009, the group's share of total revenues of Rs. 575,531 thousand and net cash inflows amounting to of Rs. 31,227 thousand 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.
4. 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.
5. Without qualifying our opinion, we report that:

The previous year's audit report was modified in respect of Investments amounting to Rs. 12,565 thousand made by the Company and Rs. 19,559 thousand by its subsidiaries in the shares of Nile Limited during 1998-99 which were not registered in the name of the investing companies as registration of transfer of the said shares were rejected by the Board of Directors of Nile Ltd. The Company, its subsidiaries and Nile Ltd. have resolved the dispute and consent terms have been signed with Nile Ltd. which has been approved by the Andhra Pradesh High Court on April 2, 2009. Pursuant to the consent terms Nile Ltd. has transferred/is in process of transferring the shares in the names of the company and its subsidiaries and these shares will be disinvested by the Company and its subsidiaries over the next two to three years.
6. Based on the audit and on consideration of the reports of other auditors on separate financial statements and to the best of our information and explanations given to us, in our opinion the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the group as at March 31, 2009;
 - b) in the case of Consolidated Profit and Loss Account, of the consolidated results of operations of the group for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flows Statement, of the consolidated cash flows of the group for the year then ended.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner
M. No. 32083

Mumbai: July 28, 2009

GMM PFAUDLER LIMITED

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CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	Schedule	As at 31.03.09 Rs.'000'	As at 31.03.08 Rs.'000'
SOURCES OF FUNDS			
1. Shareholders' Funds			
Share Capital	1	29,235	29,235
Reserves & Surplus	2	859,826	784,061
		889,061	813,296
2. Loan Funds			
Secured Loans	3	-	106,814
3. Deferred Tax Liability			
		37,545	37,607
		926,606	957,717
APPLICATION OF FUNDS			
4. Goodwill on Consolidation			
		80,294	69,855
5. Fixed Assets			
Gross Block	4	627,520	589,107
Less: Depreciation		316,725	279,640
Net Block		310,795	309,467
Capital Work-in-progress		4,189	4,264
		314,984	313,731
6. Investments			
	5	73,164	52,416
7. Current Assets, Loans and Advances			
Inventories	6	621,464	521,651
Sundry Debtors	7	343,874	434,731
Cash and Bank Balances	8	80,544	37,297
Loans and Advances	9	69,213	91,442
		1,115,095	1,085,121
Less: Current Liabilities and Provisions			
Liabilities	10	616,749	524,810
Provisions	11	40,182	38,596
		656,931	563,406
Net Current Assets		458,164	521,715
		926,606	957,717
Notes to Accounts	17		

The Schedules referred to above form an integral part of the balance sheet.

As per our report attached.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Viraf Mehta
Partner
M. No. F 32083
Mumbai, July 28, 2009

Vaibhav Bakhare
Company Secretary
Mumbai, July 28, 2009

Signatures to Consolidated Balance Sheet and
Schedules 1 to 11 and 17

For and on behalf of the Board

P. Krishnamurthy Chairman
A. J. Patel Managing Director
Darius C. Shroff Director
Tarak Patel Executive Director
A. N. Mohanty Financial Controller

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedule	Year ended 31.03.09 Rs.'000'	Year ended 31.03.08 Rs.'000'
INCOME			
Turnover (Gross)		2,165,702	1,701,541
Less: Excise Duty		141,402	142,362
Turnover (Net)		2,024,300	1,559,179
Other Income	12	29,841	52,283
		2,054,141	1,611,462
EXPENDITURE			
Cost of production	13	1,558,531	1,100,178
Operating expenses	14	141,420	116,852
Selling, general and administrative expenses	15	131,904	120,428
Depreciation and amortisation		41,081	28,895
Interest and Financial Charges	16	16,977	18,127
		1,889,913	1,384,480
PROFIT BEFORE TAXATION		164,228	226,982
Provision for Taxation			
Current		54,513	52,572
Deferred		(62)	12,373
Fringe Benefit Tax		2,210	2,579
NET PROFIT FOR THE YEAR AFTER TAXATION		107,567	159,458
Surplus brought forward		498,270	402,297
AMOUNT AVAILABLE FOR APPROPRIATION		605,837	561,755
APPROPRIATIONS:			
Interim Dividend		40,929	40,929
Tax on distributed profit		6,956	6,956
Transfer to General Reserve		12,771	15,600
Surplus carried forward		545,181	498,270
		605,837	561,755
Basic and diluted earnings per share of Rs. 2 each	(Rs.)	7.36	10.91
Notes to accounts	17		

The Schedules referred to above form an integral part of the balance sheet.

As per our report attached.

For and on behalf of
KALYANIWALLA & MISTRY
 Chartered Accountants

Viraf Mehta
 Partner
 M. No. F 32083
 Mumbai, July 28, 2009

Vaibhav Bakhare
 Company Secretary
 Mumbai, July 28, 2009

Signatures to Consolidated Balance Sheet and
 Schedules 12 to 17

For and on behalf of the Board

P. Krishnamurthy
A. J. Patel
Darius C. Shroff
Tarak Patel
A. N. Mohanty

Chairman
 Managing Director
 Director
 Executive Director
 Financial Controller

GMM PFAUDLER LIMITED

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STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2009

	Year ended 31.03.09 Rs. '000'	Year ended 31.03.08 Rs. '000'
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	164,228	226,982
Adjustments to reconcile profit before tax to cash provided by operations		
Depreciation	41,081	28,895
Net (gain) / loss on sale of fixed assets	934	503
Net (gain) / loss on sale of Investment	(1,456)	(32,749)
Interest income	(1,471)	(1,544)
Interest expense	16,977	18,127
Dividend Income	(819)	(4,884)
Provision for doubtful debts, liquidated damages and advances	1,611	5,777
Dimutation in value of investment provided / (written back)	1,490	(481)
Unrealised foreign exchange fluctuation loss/(gain)	(11,847)	(14,365)
Operating profit before working capital changes	210,728	226,261
Adjustments for :		
Inventories	(84,250)	(87,564)
Trade and other receivables	133,596	(81,004)
Trade payables and other liabilities	70,371	120,558
Cash generated from operations	330,445	178,250
Direct Taxes paid	(55,065)	(66,070)
Net cash from/ (used in) operating activities	A 275,380	112,181
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(43,117)	(67,411)
Proceeds from sale of assets	2,609	1,695
Purchase of investments	(36,418)	(61,175)
Proceeds from sale of investments	13,956	250,043
Investment in subsidiary company	-	(186,421)
Interest received	1,471	1,544
Dividend received	819	4,884
Net cash from/ (used in) investing activities	B (60,679)	(56,841)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	121,163
Repayment of borrowings	(106,814)	(127,057)
Interest paid	(16,976)	(18,127)
Dividend paid	(40,708)	(39,258)
Tax on distributed profits	(6,956)	(6,707)
Net cash (used in)/from financing activities	C (171,454)	(69,986)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	A+B+C 43,247	(14,646)
Cash and Cash equivalents, beginning of the year	37,297	20,265
Add: Cash acquired on acquisition of subsidiaries	-	31,678
Cash and Cash equivalents, end of the year	80,544	37,297

Note: The company has been sanctioned credit facilities for working capital of Rs. 1,700 lakhs, of which facilities utilised as on March 31, 2009 were Rs. NIL.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Viraf Mehta
Partner
M. No. F 32083
Mumbai, July 28, 2009

Vaibhav Bakhare
Company Secretary
Mumbai, July 28, 2009

For and on behalf of the Board

P. Krishnamurthy
A. J. Patel
Darius C. Shroff
Tarak Patel
A. N. Mohanty
Chairman
Managing Director
Director
Executive Director
Financial Controller

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 1

SHARE CAPITAL

Authorised:

25,000,000 Equity shares of Rs.2 each

Issued, Subscribed and Paid-up:

14,617,500 Equity shares of Rs.2 each fully paid

	As at 31.03.09 Rs.'000'	As at 31.03.08 Rs.'000'
	50,000	50,000
	29,235	29,235
	29,235	29,235

Of the above shares:

7,454,400 Equity shares are held by Pfaudler Inc. USA, the holding company.

122,400 Equity shares have been issued for consideration other than cash.

8,586,500 Equity shares have been issued as bonus shares, by capitalisation of reserves and share premium account.

SCHEDULE 2

RESERVES AND SURPLUS

Capital Reserve

Balance as per last balance sheet

Cash Subsidy Reserve

Balance as per last Balance Sheet

Share Premium Account

Balance as per last Balance Sheet

Foreign Exchange Translation Reserve

General Reserve

Balance as per last Balance Sheet

Transfer from Profit and Loss account

Profit and Loss Account

	17	17
	695	695
	149,284	149,285
	23,413	7,329
	128,465	112,865
	12,771	15,600
	141,236	128,465
	545,181	498,270
	859,826	784,061

SCHEDULE 3

SECURED LOANS

Buyers Credit

Cash Credit accounts

	-	19,142
	-	87,672
	-	106,814

Note:

The credit facilities from a bank are secured by hypothecation of inventories and book debts and first charge over fixed assets situated at the Company's factory at Karamsad.

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 4

FIXED ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on	Additions	Deductions	As on	Upto	For the	On	Upto	As on	As on
	01.04.08			31.03.09	01.04.08	Year	Deductions	31.03.09	31.03.09	31.03.08
Freehold land	2,316	-	-	2,316	-	-	-	-	2,316	2,316
Leasehold land	1,154	-	-	1,154	412	12	-	424	730	1,154
Lease improvement	5,642	-	-	5,642	1,837	615	-	2,452	3,190	3,393
Buildings	122,350	7,820	-	130,170	29,221	2,788	-	32,009	98,161	93,129
Plant & machinery	415,334	25,682	5,461	435,555	231,072	31,992	2,271	260,793	174,762	184,263
Furniture & Fixtures	17,718	7,106	1,717	23,107	11,081	1,450	1,624	10,907	12,200	6,637
Vehicles	23,668	5,344	360	28,652	5,569	4,135	100	9,604	19,048	18,099
Assets acquired under finance lease:				-				-	-	-
Vehicles	924	-	-	924	448	88	-	536	388	476
Total	589,106	45,952	7,538	627,520	279,640	41,080	3,995	316,725	310,795	309,467
Previous Year Total	519,505	76,499	6,897	589,107	255,445	28,895	4,700	279,640	309,467	-
Capital work-in-progress									4,189	4,264
									314,984	313,731

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 5

INVESTMENTS

	Face value Rupees	Number		Cost	
		As At 31.03.09	As At 31.03.08	As At 31.03.09 Rs. '000	As At 31.03.08 Rs. '000
1. Long Term Investments (Fully paid)					
(a) Trade Investments					
Quoted Equity shares					
Abbott India Ltd.	10	100	100	5	5
BASF India Ltd.	10	245	245	12	12
Bayer (India) Ltd.	10	50	50	4	4
Ciba Speciality Chemicals (India) Ltd.	10	35	35	-	-
Clariant Chemical India - (Formerly Colour Chem Ltd.)	10	50	50	3	3
Dharamshi Morarji Chemicals Co. Ltd.	10	100	100	4	4
Excel Crop Care Ltd.	5	112	112	-	-
Excel Industries Ltd.	5	112	112	10	10
Futura Polyester Ltd. (Formerly Indian Organic Chemicals Ltd.)	10	100	100	1	1
Glaxo Smithkline Pharmaceuticals Ltd.	10	122	122	7	7
Gujarat Heavy Chemicals Ltd.	10	100	100	2	2
Gujarat Glass Ltd.	10	19	19	-	-
Hico Products Ltd.	10	625	625	6	6
IDI Ltd.	10	66	66	3	3
Kansai Nerolac Paints Ltd.	10	333	333	10	10
Kojam Fininvest Ltd.	10	19	19	-	-
Nestle India Ltd.	10	93	93	6	6
Piramal Healthcare Ltd. (Formerly Nicholas Piramal India Ltd.)	2	390	390	-	-
Novartis (India) Ltd.	5	70	70	7	7
Peninsula Land Ltd.	2	1,040	208	4	4
Pfizer Ltd.	10	135	135	11	11
Shubh Shanti Services Ltd.	10	39	25	-	-
SI Group - India Ltd. (Formerly Herdillia Chemicals Ltd.)	10	50	50	5	5
Tata Chemicals Ltd.	10	161	161	7	7
United Phosphorus Ltd.	2	3,750	3,750	405	405
Wyeth Ltd.	10	50	50	6	6
				518	518
Less :- Provision for diminution in the value of Investments				19	19
				499	499
(b) Other Investments					
Quoted Equity Shares					
Skyline Millars Ltd. (Formerly Millars India Ltd.) (a company under the same management)	1	1,406,000	140,600	1,933	1,933
Nile Ltd.	10	620,095	620,095	32,123	32,123
				34,056	34,056
Unquoted Non convertible debentures					
Hico Products Ltd.	150	125	125	-	-
Balance carried forward				34,555	34,555

GMM PFAUDLER LIMITED

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SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009
INVESTMENTS (Continued)

	Face value Rupees	Number		Cost	
		As At 31.03.09	As At 31.03.08	As At 31.03.09 Rs. '000'	As At 31.03.08 Rs. '000'
Balance brought forward				34,555	34,555
(c) Unquoted Shares in Co-operative Societies					
Karamsad Urban Co-op. Bank Ltd.	10	1,200	1,200	12	12
Charotar Gas Sahakari Mandli Ltd	500	10	500	5	5
				17	17
2. Current Investments					
Unquoted Mutual Funds					
Prudential ICICI Fusion Fund Series - II Retail Growth	10	366,269	366,269	3,663	3,663
Redeemed during the year:					
DWS Fixed Term Fund-Series 18 - Regular Plan	10	-	250,000	-	2,500
Prudential ICICI Fmp Series 34-17 Months Plan-Retail-Growth	10	-	1,000,000	-	10,000
Swisscanto (CH) Bond Fund CHF	CHF 85	-	500	-	1,680
Acquired during the year:					
HDFC Fixed Maturity Plan Series VIII	10	1,000,000	-	10,000	-
Kotak FMP 12M Series 7	10	1,000,000	-	10,000	-
HSBC Income Fund - Short Term Plan - Dividend	10	414,389	-	4,461	-
23 ICICI Prudential Short Term Plan - Dividend Reinvest	10	550,595	-	5,990	-
DSPML Short Term Fund Monthly - Dividend	10	562,640	-	5,968	-
				40,082	17,843
Less: Provision for diminution in value of Investments				1,490	-
				38,592	17,843
Total Investments				73,164	52,415
Note : Aggregate book value of investments					
Quoted				34,555	34,555
Unquoted				38,609	17,860
				73,164	52,415
Market value of quoted investments				29,382	107,299

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	As at 31.03.09 Rs.'000'	As at 31.03.08 Rs.'000'
SCHEDULE 6		
INVENTORIES (at lower of cost and net realisable value)		
Stores and spares	19,926	22,876
Raw materials	250,369	218,144
Work-in-progress	329,016	275,080
Finished goods	22,153	5,551
	621,464	521,651
SCHEDULE 7		
SUNDRY DEBTORS (Unsecured and considered good)		
Debts outstanding over six months		
-Considered good	32,716	15,808
-Considered doubtful	42,237	31,224
	74,953	47,032
Other debts		
-Considered good	311,158	418,923
-Considered doubtful	5,968	14,320
	317,126	433,243
Less : Provision for doubtful debts	48,205	45,544
	343,874	434,731
SCHEDULE 8		
CASH AND BANK BALANCES		
Cash and cheques on hand	681	561
Balances with banks		
- in current accounts	78,438	35,311
- in deposit accounts (under lien)	1,425	1,425
	80,544	37,297

GMM PFAUDLER LIMITED

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SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	As at 31.03.09 Rs.'000'	As at 31.03.08 Rs.'000'
SCHEDULE 9		
LOANS AND ADVANCES		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received (including Rs. 4,797 thousand, previous year Rs. 4,797 thousand considered doubtful)	48,427	52,369
Deposits (including Rs. 1,473 thousand, previous year Rs. 1,473 thousand considered doubtful)	19,894	34,474
Balance with central excise authorities	6,611	10,074
Advance payment of taxes (Net of provision for tax Rs. 303,584 thousand, previous year Rs. 248,984 thousand)	551	795
	<u>75,483</u>	<u>97,712</u>
Less: Provision for doubtful advances/deposits	6,270	6,270
	<u>69,213</u>	<u>91,442</u>
SCHEDULE 10		
CURRENT LIABILITIES		
Sundry creditors		
- Outstanding dues of micro, small and medium enterprises	7,759	5,979
- Other creditors	222,961	240,399
Advances from customers	286,210	130,028
Investor Education and Protection Fund *		
- Unclaimed dividend	1,401	1,179
- Unclaimed matured deposits	6	36
Other liabilities	88,179	136,956
Interim dividend payable	10,233	10,233
	<u>616,749</u>	<u>524,810</u>
* The said fund will be credited with the amounts outstanding and unclaimed on the respective due dates.		
SCHEDULE 11		
PROVISIONS		
Provision for tax on distributed profits	1,739	1,739
Provision for compensated absences	6,234	3,505
Provision for unexpired warranty	32,209	33,352
	<u>40,182</u>	<u>38,596</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Year ended 31.03.09 Rs.'000'	Year ended 31.03.08 Rs.'000'
SCHEDULE 12		
OTHER INCOME		
Dividend	819	4,884
Interest *		
- Others	1,471	1,369
Bad and doubtful debts recovered	811	382
Provision for dimunition on value of Investments written back	-	481
Profit on sale of long term Investments	-	32,698
Profit on sale of current Investments	1,456	51
Miscellaneous Income	6,319	8,298
Foreign exchange gain	18,731	3,945
	29,841	52,283

* Tax deducted at source Rs. 40 thousand, previous year Rs. 30 thousand.

SCHEDULE 13

COST OF PRODUCTION

Materials consumed:		
Stocks as at the commencement of the year	218,144	268,202
Add : Purchases during the year	1,151,896	836,302
	1,370,040	1,104,504
Less : Stocks as at the close of the year	250,369	218,144
	1,119,671	886,360
Employee costs:		
Wages	214,582	76,446
Contribution to provident and other funds	27,711	9,069
Labour charges	109,806	107,733
Power and fuel	77,499	74,199
Stores and spares consumed	79,799	80,629
(Increase)/ Decrease in stock of finished goods and work in progress	(70,537)	(134,258)
	1,558,531	1,100,178

GMM PFAUDLER LIMITED

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SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Year ended 31.03.09 Rs.'000'	Year ended 31.03.08 Rs.'000'
SCHEDULE 14		
OPERATING EXPENSES		
Employee costs:		
- Salaries and allowances	74,457	71,733
- Contribution to provident and other funds	7,539	5,912
- Staff welfare	11,028	10,090
Repairs and maintenance:		
- Plant and machinery	17,721	11,593
- Buildings	678	197
- Others	123	166
Insurance	6,099	4,993
Rent	20,605	8,768
Rates and taxes	3,170	3,400
	141,420	116,852

SCHEDULE 15**SELLING, GENERAL AND ADMINISTRATIVE EXPENSES**

Royalty	6,710	8,380
Travel and conveyance	18,405	19,466
Communication	4,666	5,760
Bad debts written off	6,589	6,610
Provision for doubtful debts, advances and liquidated damages	1,266	1,313
Provision for Warranty expenses	(3,907)	2,343
Advertisement and sales promotion	8,937	3,500
Commission	3,791	3,747
Legal and professional fees	8,812	20,885
Auditors' remuneration	2,307	2,448
Freight outward	13,822	13,427
Dimination on value of Investments	1,490	-
Loss on sale of fixed assets	934	503
Other expenses	58,082	32,046
	131,904	120,428

SCHEDULE 16**INTEREST AND FINANCIAL CHARGES**

Interest on cash credit, etc.	7,441	12,621
Other interest and financial charges	9,536	5,506
	16,977	18,127

SCHEDULE 17: NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

1. BASIS OF CONSOLIDATION

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

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

2. 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	GMM Mavag AG	Switzerland	100%	100%
2	Mavag AG (Subsidiary of GMM Mavag AG)	Switzerland	100%	100%
3	Karamsad Holdings Ltd.	India	100%	100%
4	Karamsad Investments Ltd.	India	100%	100%

3. (a) 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, 2009.

(b) The financial statements of Mavag AG for the previous year are from January 11, 2008 upto March 31, 2008. As such the previous year figures are not comparable.

The financial statements of Mavag AG have been incorporated in the consolidated financial statements on the basis of a limited review conducted by their auditors.

4. 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 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

- (i) Investments are classified into long term and current investments.
- (ii) 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.
- (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 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. 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 benefits 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 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.

5. INVESTMENTS

The Group had during the year 1998-99 acquired 620,095 equity shares of the face value of Rs. 10 each in the capital of Nile Limited ("Nile"), which represents 20.74% of the paid-up capital of Nile for an amount of Rs. 32,123 thousand. The Board of Directors of Nile has rejected the registration of transfer of the said shares.

The dispute regarding registration of the said shares of Nile was pending in appeal with Company Law Board and the H'onble Andhra Pradesh High Court.

The Company, its subsidiaries and Nile have settled the dispute relating to registration of transfer of the said shares vide a Memorandum of Compromise approved by the H'onble Andhra Pradesh High Court on April 2, 2009.

As per the Memorandum of Compromise, Nile has agreed to register the transfer of the said shares in the name of the Company and its subsidiaries. The Company has agreed to sell all the shares other than as a block deal within a period of 36 months. Nile has agreed to pay the Company and its subsidiaries all the unpaid dividends till date and the Company and its subsidiaries have agreed to pay Nile a sum of Rs. 10,000 thousand by way of cost.

6. LOANS AND ADVANCES

Deposits include earnest deposit of Rs. 961 thousand (Previous year Rs. 16,961 thousand) paid to Skyline Millars Ltd. (Formerly Millars India Ltd.) and Rs. 9,411 thousand (Previous year Rs. 9,871 thousand) paid to Ready Mix Concrete Limited, being companies in which two directors of the Company are interested. The MOU for purchase of the factory shed did not materialize and stands cancelled now. The deposit of Rs. 16,000 thousand is received back from Skyline Millars Ltd. (Formerly Millars India Ltd.). However the lease agreements with Skyline Millars Ltd. (Formerly Millars India Ltd.) for use of factory sheds continues.

7. PROVISIONS

Rs. '000'

	Opening Balance	Additions	Reversals	Closing Balance
Provision for compensated absences	3,505	3,711	982	6,234
Provision for unexpired warranty	33,351	3,730	4,872	32,209
Total	36,856	7,441	5,854	38,443

8. OPERATING LEASE

The Group's significant leasing arrangements are in respect of operating leases for factory shed/premises and guesthouse. These lease agreements, which are not non-cancellable, range up to 120 months and are usually renewable by mutual consent on mutually agreeable terms.

The total future minimum lease payments under non-cancelable operating lease are as under:

Rs. '000'

Period	As at 31.03.09	As at 31.03.08
Payable within one year	13,864	13,954
Payable later than one year and not later than five year	33,022	38,156
Payable later than five year	-	7,880

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	As at 31.03.09 Rs. '000'	As at 31.03.08 Rs. '000'
9. DEFERRED TAX LIABILITY		
The break up of deferred tax liability arising due to the tax effect of timing differences between taxable income and accounting income, is as under		
Deferred Tax Liability		
Depreciation	48,323	47,413
Lease rentals	132	162
	48,455	47,575
Deferred tax assets		
Technical know how fees	197	263
Provision for doubtful debts / advances	10,200	9,705
Provision for diminution in value of investments	513	-
	10,910	9,968
Net deferred tax liability	37,545	37,607
10. CONTINGENT LIABILITIES		
a) Claims against the Company not acknowledged as debts:		
i) Dispute relating to Cenvat Credit	4,100	4,105
ii) Disputed Income Tax demands	15,151	15,151
b) Guarantees issued by bank	176,450	107,581
11. BASIC AND DILUTED EARNING PER SHARE		
(a) Net profit for the year available to equity shareholders	107,567	159,458
Weighted average number of Equity Shares during the year	14,617,500	14,617,500
(b) Face value of Equity Share in Rs.	2	2
(c) Basic and diluted earnings per share	7.36	10.91
	As at 31.03.09	As at 31.03.08
12. EMPLOYEE BENEFITS		
The amounts recognised in the company's financial statements in respect of employee benefits under defined benefit plan as at March 31, 2009 are as under:		
Gratuity		
a Assumptions :		
Discount Rate	7.00%	8.00%
Rate of Return on Plan Assets	7.00%	8.00%
Salary Escalation	6.00%	4.50%
	As at 31.03.09	As at 31.03.08
	Rs. '000	Rs. '000
b Table showing changes in Benefit Obligation:		
Liability at the beginning of the year	27,220	25,092
Interest cost	2,178	1,882
Current service cost	1,698	1,478
Benefit paid	(6,265)	(1,681)
Actuarial (gain)/loss on obligations	9,396	449
Liability at the end of the year	34,227	27,220

	As at 31.03.09 Rs. '000'	As at 31.03.08 Rs. '000'
12. EMPLOYEE BENEFITS (continued)		
c Change in Plan Assets:		
Fair value of Plan Assets at the beginning of the year	39,789	35,057
Expected Return on Plan Assets	3,183	2,629
Contributions	1,727	2,982
Benefit Paid	(6,265)	(1,681)
Acturial gain / (loss) on Plan Assets	464	802
Fair value of Plan Assets at the end of the year	38,897	39,789
Total Acturial Gain / (Loss) to be recognised	(8,932)	352
d Actual Return on Plan Assets:		
Expected Return on Plan Assets	3,183	2,629
Acturial gain / (loss) on Plan Assets	464	802
Actual Return on Plan Assets	3,647	3,431
e Amount Recognised in the Balance Sheet:		
Liability at the end of the year	34,227	27,220
Fair value of Plan Assets at the end of the year	38,897	39,788
Difference	(4,670)	(12,568)
Amount Recognised in the Balance Sheet	(4,670)	(12,568)
f Expenses Recognised in the Income Statement		
Current Service cost	1,698	1,478
Interest Cost	2,178	1,882
Expected return on Plan Assets	(3,183)	(2,629)
Net Acturial (gain) / loss to be recognised	8,932	(353)
Expense Recognised in P&L	9,625	378
g Balance Sheet Reconciliation		
Opening Net Liability	(12,568)	25,092
Expenses as above	9,625	3,618
Employers Contribution	(1,727)	(1,490)
Amount Recognised in Balance Sheet	(4,670)	27,220
h Other Details		

Gratuity is payable at the rate of 15 days salary for each year of service subject to a maximum of Rs. 350 thousand.

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.

The foreign Subsidiaries do not have any employee benefits in the nature of defined benefit plans.

13. RELATED PARTY DISCLOSURES

(l) List of Related parties

(a) Parties where control exists:

(i) Ultimate Holding Company : Robbins & Myers Inc.

(ii) Holding Company: : Pfaudler Inc.

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

(i) Fellow Subsidiaries: : Pfaudler Werke GMBH
Pfaudler Balfour Ltd.
Edlon PSI Inc.
Chemineer Inc.
Suzhou Pfaudler Glass Lined Equipment Co. Limited
Robbins & Myers Singapore Private Limited
Glass Steel Parts and Services

(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 Ashok J. Patel)
Mrs. Uttara G. Gelhaus (Daughter of Ashok J. Patel)

(iv) Other related Parties (Enterprises over which persons in (b)(ii) or (b)(iii) are able to exercise significant influence): : Skyline Millars Ltd. (Formerly Millars India Ltd.)
Glass Lined Equipment Co. Ltd.
Ready Mix Concrete Ltd.
Dietrich Engineering Consultants India Pvt. Ltd.
J.V. Patel & Co.

13. Related Party Disclosures (Continued)
(II) Transactions with related parties

Transaction	Ultimate Holding Company		Holding Company		Fellow Subsidiaries		Key Management Personnel		Relative of Key Management Personnel		Other Related Parties	
	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
	Rs. '000'											
Purchase of goods	-	-	-	-	1,874	9,403	-	-	-	-	927	8,598
Sale of goods	-	-	2,978	230	15,530	2,184	-	-	-	-	-	199
Purchase of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Receiving of services	-	-	-	-	753	-	-	-	-	-	23,672	12,829
Sales commission received	-	-	-	-	-	-	-	-	-	-	-	-
Royalty paid	-	-	6,710	8,353	-	-	-	-	-	-	-	-
Lease Rent paid	-	-	-	-	-	-	-	-	-	-	6,140	6,305
Remuneration paid	-	-	-	-	-	-	13,896	14,406	-	-	-	-
Interest received	-	-	-	-	-	-	100	157	-	-	-	-
Dividend paid	-	-	20,872	20,127	-	-	3,389	3,386	841	841	-	-
Deposit given	-	-	-	-	-	-	-	-	-	-	-	-
Deposit received back	-	-	-	-	-	-	-	-	-	-	16,000	-
Commission received on services provided	4,581	5,743	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses	926	1,056	-	-	12	-	-	-	-	-	-	-
Balance outstanding as on March 31, 2009												
Payables	-	-	7,276	18,700	8,452	12,343	4,448	5,047	210	210	5,516	3,978
Receivables	-	11,150	3,208	164	20,903	14,536	1,610	1,925	-	-	-	-
Deposit outstanding	-	-	-	-	-	-	-	-	-	-	10,372	26,832

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13 (III) Significant Related Party Transactions are as under:

Rs. '000

Nature of transactions	Names	Year Ended	Year Ended
		31.03.09	31.03.08
Purchase of goods	Pfautler Werke GMBH	1,218	1,481
	Glass Lined Equipment Co. Ltd.	133	8,482
	Pfautler Balfour Ltd.	15	7,642
Sale of goods	Pfautler Werke GMBH	8,881	-
	Pfautler Balfour Ltd.	4,693	1,907
	Pfautler Inc.	2,978	230
	Suzoh Pfautler	1,956	277
Receiving Services	Ready Mix Concrete Ltd.	12,784	10,765
	Glass Lined Equipment Co. Ltd.	5,836	-
	Skyline Millars Ltd. (Formerly Millars India Ltd.)	5,023	2,064
	Pfautler Balfour Ltd.	715	-
Lease rent paid	Skyline Millars Ltd. (Formerly Millars India Ltd.)	4,678	4,586
	Ready Mix Concrete Ltd.	1,444	1,719
Royalty paid	Pfautler Inc.	6,710	8,353
Remuneration paid	Mr. Ashok J. Patel	7,975	8,709
	Mr. Ashok Pillai	3,607	3,692
	Mr. Tarak A. Patel	2,314	2,005
Dividend paid	Pfautler Inc.	20,872	20,127
	Mr. Ashok J. Patel	2,905	2,905
Commission on services provided	Robbins & Myers Inc.	4,581	5,743
Reimbursement of claim / expenses	Robbins & Myers Inc.	926	1,056
Balances outstanding as on March 31, 2009			
Payables	Pfautler Inc.	7,276	18,700
	Pfautler Balfour Ltd.	6,186	9,711
	Mr. Ashok J. Patel	4,326	4,926
	Pfautler Werke GMBH	960	1,707
Receivables	Pfautler Balfour Ltd.	16,534	13,130
Deposit outstanding	Ready Mix Concrete Ltd.	9,411	9,871
	Skyline Millars Ltd. (Formerly Millars India Ltd.)	961	16,961

14. SEGMENT REPORTING

(a) Primary segment reporting by business segment:

Rs. '000'

Particulars	Chemical Processing Equipment		Mixing Systems		Filtration/ Separation Equipment & Others		Total	
	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
Year Ended	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
Revenue:								
Total External sales	1,277,660	1,249,877	83,101	93,507	663,539	215,795	2,024,300	1,559,179
Segment Results:								
Profit/(Loss) before Tax and Interest	165,479	224,385	8,819	12,780	24,090	16,247	198,388	253,412
Unallocated Income/(Expense) (Net)							(17,183)	(8,303)
Less: Interest		-	-	-	-	-	16,977	18,127
Profit Before Tax		-	-	-	-	-	164,228	226,982
Taxes		-	-	-	-	-	56,661	67,524
Net Profit After Tax		-	-	-	-	-	107,567	159,458
Segment Assets	874,442	924,938	43,775	51,891	350,015	302,217	1,268,232	1,279,046
Unallocated Assets							304,866	242,077
Total Assets							1,573,098	1,521,123
Segment liabilities	406,765	340,518	28,548	28,329	229,873	162,400	665,186	531,247
Unallocated Liabilities							29,290	69,766
Total Liabilities							694,476	601,013
Capital Expenditure	10,973	59,012	-	300	8,124	4,065	19,097	76,499
Unallocated Capital Expenditure							24,475	-
Depreciation	28,304	25,974	326	274	9,843	2,647	38,473	28,895
Unallocated depreciation							2,608	-

(b) Secondary segment reporting by geographical segment:

Rs. '000'

Particulars	Within India		Outside India		Total	
	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
Year Ended	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
Revenue	1,343,826	1,340,715	680,474	218,464	2,024,300	1,559,179

Notes:

- 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.
- 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".

15. Prior year's figures have been regrouped where necessary.

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STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES AS ON MARCH 31, 2009

	KARAMSAD HOLDINGS LTD.	KARAMSAD INVESTMENTS LTD.	GMM MAVAG AG	MAVAG AG
1. The Financial Year ending of the subsidiary	March 31, 2009	March 31, 2009	March 31, 2009	March 31, 2009
2. Fully Paid-Up shares held by holding company in subsidiary company at the end of Financial Year of the subsidiary companies				
(a) Number	350,000 Equity Shares of Rs. 10/- each fully paid up	260,000 Equity Shares of Rs. 10/- each fully paid up	1,500 Equity Shares of CHF 1000 each fully paid up	1,500 Equity Shares of CHF 1000 each fully paid up
(b) Extent of holding	100%	100%	100%	100%
3. Changes in the interest of the holding company in the subsidiary companies at the end of financial year of the subsidiary companies.	Nil	Nil	Nil	Nil
4. The net aggregate of (Loss) Profit for the current year of the subsidiary company so far as it concerns the members of the holding company.				
(a) Dealt with in the accounts of holding company	Nil	Nil	Nil	Nil
(b) Not dealt with in the accounts of holding company for the Year ended March 31, 2009	(25,121)	(24,548)	(6,020,907)	11,363,724
5. The net aggregate Profit / (Loss) of the subsidiary companies for the previous financial years, so far as they concern the Members of the holding company.				
(a) Dealt with in the accounts of holding company	Nil	Nil	Nil	Nil
(b) Not dealt with in the accounts of holding company for the Year ended March 31, 2009	(98,281)	(212,398)	(1,677,113)	5,582,758
6. Material Changes between the end of the Financial Year of the subsidiaries and the holding company as the case may be as on March 31, 2009.				
(a) Fixed Assets	Nil	Nil	Nil	Nil
(b) Investments	Nil	Nil	Nil	Nil
(c) Moneys lent by the Subsidiary Company	Nil	Nil	Nil	Nil
(d) Moneys borrowed by the Subsidiary Company other than for meeting Current Liabilities.	Nil	Nil	Nil	Nil

For and on behalf of the Board

Vaibhav Bakhare
Company Secretary

Mumbai, July 28, 2009

P. Krishnamurthy
A. J. Patel
Darius C. Shroff
Tarak Patel
A. N. Mohanty

Chairman
Managing Director
Director
Executive Director
Financial Controller

Report of the Statutory Auditors to the general meeting of GMM Mavag AG

May 7, 2009

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement and notes) of GMM Mavag AG for the year ended March 31, 2009.

These financial statements are the responsibility of the board of directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the company's articles of incorporation.

Thomas Wildberger
Licensed Audit Expert

Jakob Keller
Licensed Audit Expert

Auditor in Charge

Enclosures: – Financial statements 2008/2009 (balance sheet, income statement and notes)
– Cash flow statement 2008/2009

Balance Sheet as at March 31, 2009	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	CHF	CHF	Rs.	Rs.
Assets				
Bank Account	9,483.85	3,114.50	430,811	123,085
Prepaid Expenses	3,341.65	-	151,797	-
Investment in Mavag AG	5,000,000.00	5,000,000.00	227,129,000	197,600,000
Assets	5,012,825.50	5,003,114.50	227,711,609	197,723,085
Liabilities and Shareholder's Equity				
Other short-term liabilities holding company	17,146.45	5,750.00	778,891	227,240
Accrued liabilities	181,244.48	40,076.00	8,233,175	1,583,804
Long-term loan holding company	3,500,000.00	3,500,000.00	158,990,300	138,320,000
Liabilities	3,698,390.93	3,545,826.00	168,002,367	140,131,044
Share Capital	1,500,000.00	1,500,000.00	68,138,700	59,280,000
Balance brought forward	(42,711.50)	-	(1,940,204)	-
Net loss	(142,853.93)	(42,711.50)	(6,489,254)	(1,687,958)
Unappropriated losses	(185,565.43)	(42,711.50)	(8,429,458)	(1,687,958)
Shareholder's equity	1,314,434.57	1,457,288.50	59,709,242	57,592,042
Liabilities and Shareholder's Equity	5,012,825.50	5,003,114.50	227,711,609	197,723,085
Income Statement as on March 31, 2009	01.04.08- 31.03.09	04.01.08- 31.03.08	01.04.08- 31.03.09	04.01.08- 31.03.08
	(12 Months)	(3 Months)	(12 Months)	(3 Months)
	CHF	CHF	Rs.	Rs.
Administration expenses	(5,000.00)	(1,862.00)	(227,129)	(73,586)
Audit expenses	-	(500.00)	-	(19,760)
Earnings before interests and taxes	(5,000.00)	(2,362.00)	(227,129)	(93,346)
Financial expenses	(137,652.93)	(40,148.50)	(6,252,994)	(1,586,669)
Operating profit / loss	(142,652.93)	(42,510.50)	(6,480,123)	(1,680,015)
Taxes	(201.00)	(201.00)	(9,131)	(7,944)
Net loss	(142,853.93)	(42,711.50)	(6,489,254)	(1,687,958)

Note: The figures of GMM Mavag AG in CHF have been translated in to Indian Rupees using the year end exchange rate

GMM MAVAG AG

Notes to the Financial Statements 2009

	2009	2008
1. Investments		
Mavag AG, Neunkirch	100%	100%
Share capital of CHF 1'500'000		
2. The risk identification process was systematically applied. The main risks were classified into likelihood and their financial impact. These risk are avoided, reduced or shifted with decided measures by the board of directors. The risks, which are carried by the firm, are monitored consistently. The last risk assessment was performed by the board of directors at March 13, 2009. Based on this risk assessment, no specific provisions and adjustments were necessary in this financial statement		

Cash Flow Statement 01.04.08 to 31.03.09

	01.04.08- 31.03.09	04.01.08- 31.03.08	01.04.08- 31.03.09	04.01.08- 31.03.08
	CHF	CHF	Rs.	Rs.
Net loss	(142,853.93)	(42,711.50)	(6,489,254)	(1,687,958)
Change in net current assets items				
(Increase) Decrease other current asset	(3,341.65)	-	(151,797)	-
Increase (Decrease) other current liabilities	152,564.93	45,826.00	6,930,384	1,811,044
Cash flow from operating activities	6,369.35	3,114.50	289,333	123,085
Investment in Mavag AG	-	5,000,000.00	-	197,600,000
Cash flow used for investing activities	-	5,000,000.00	-	197,600,000
Increase (decrease) loan holding company	-	3,500,000.00	-	138,320,000
Increase (decrease) share capital	-	1,500,000.00	-	59,280,000
Cash flow used for financing activities	-	5,000,000.00	-	197,600,000
Increase (Decrease) Cash and cash equivalents	6,369.35	3,114.50	289,333	123,085
Cash and cash equivalents at 01.04.08/04.01.08	3,114.50	-	141,479	-
Increase (Decrease) Cash and cash equivalents	6,369.35	3,114.50	289,333	123,085
Cash and cash equivalents at March 31	9,483.85	3,114.50	430,811	123,085

Note: The figures of GMM Mavag AG in CHF have been translated in to Indian Rupees using the year end exchnage rate

Report of the Statutory Auditors to the general meeting of Mavag AG

May 7, 2009

As statutory auditors, we have examined the financial statements (balance sheet, income statement and notes) of Mavag AG for the year ended March 31, 2009.

These financial statements are the responsibility of the board of directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

Thomas Wildberger
Licensed Audit Expert
Auditor in Charge

Jakob Keller
Licensed Audit Expert

Enclosures: – Financial statements 2008/2009 (balance sheet, income statement and notes)
– Proposed appropriation of available earnings

	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	CHF	CHF	Rs.	Rs.
Balance Sheet as at March 31, 2009				
Assests				
Cash and cash equivalents	1,121,978.27	507,005.87	50,966,760	20,036,872
Marketable securities	-	42,500.00	-	1,679,600
	1,121,978.27	549,505.87	50,966,760	21,716,472
Trade accounts receivable				
Third Parties	2,297,271.84	4,126,771.84	104,355,411	163,090,023
Group Companies	67,112.00	-	3,048,616	-
Allowance for doubtful accounts	(160,000.00)	(200,000.00)	(7,268,128)	(7,904,000)
	2,204,383.84	3,926,771.84	100,135,899	155,186,023
Other accounts receivables	487,270.80	30,173.20	22,134,666	1,192,445
Material	1,339,849.00	1,454,462.00	60,863,713	57,480,338
Work progress	2,113,594.00	159,320.00	96,011,698	6,296,326
	3,453,443.00	1,613,782.00	156,875,411	63,776,665
Prepaid expenses	161,594.75	378,734.00	7,340,571	14,967,568
Current Assests	7,428,670.66	6,498,966.91	337,453,308	256,839,172
Fiancial assests	1.00	1.00	45.43	39.52
Machinery, equipments, other tangible assests	337,706.00	397,006.00	15,340,565	15,689,677
Intangible assests	1.00	1.00	45.43	39.52
Non - current assests	337,708.00	397,008.00	15,340,656	15,689,756
Assests	7,766,378.66	6,895,974.91	352,793,964	272,528,928
Liabilities and Shareholder's Equity				
Trade accounts payable	909,240.65	1,674,657.50	41,302,984	66,182,464
Short -term financial liabilities	-	5,797.84	-	229,131
Other Short term liabilities group company	28,273.15	-	1,284,330	-
Short -term loan third	-	500,000.00	-	19,760,000
Advance Payments	1,981,986.25	-	90,033,311	-
Accured liabilities	710,616.74	863,374.95	32,280,334	34,120,578
Current Liabilities	3,630,116.79	3,043,830.29	164,900,959	120,292,173
Long term loan shareholders	-	-	-	-
Provision	470,000.00	470,000.00	21,350,126	18,574,400
Non -Current liabilities	470,000.00	470,000.00	21,350,126	18,574,400
Liabilitites	4,100,116.79	3,513,830.29	186,251,085	138,866,573
Share Capital	1,500,000.00	1,500,000.00	68,138,700	59,280,000
General Legal reserve	196,000.00	140,000.00	8,903,457	5,532,800
Balance brought forward	1,686,144.62	628,116.70	76,594,468	24,823,172
Net income for the year	284,117.25	1,114,027.92	12,906,253	44,026,383
Unappropriated earnings	1,970,261.87	1,742,144.62	89,500,722	68,849,555
Shareholder's equity	3,666,261.87	3,382,144.62	166,542,878	133,662,355
Liabilities and Shareholder's Equity	7,766,378.66	6,895,974.91	352,793,964	272,528,928

Note: The figures of Mavag AG in CHF have been translated into Indian Rupees using the year end exchange rate

MAVAG AG

Income Statement for the period from April 2008 to March 2009	01.04.08-31.03.09 (12 months) CHF	01.01.07-31.03.08 (15 months) CHF	01.04.08-31.03.09 (12 months) Rs.	01.01.07-31.03.08 (15 months) Rs.
Income from sales and services	13,830,899.95	19,368,598.90	628,279,695	765,447,029
Less: sales deduction	(99,549.10)	(141,204.50)	(4,522,098)	(5,580,402)
Net turnover	13,731,350.85	19,227,394.40	623,757,597	759,866,627
Raw material expenses	(6,528,809.24)	(9,898,290.97)	(296,576,383)	(391,180,459)
Merchandise expenses	(61.25)	(13,578.55)	(2,782)	(536,624)
Purchase expenses	(166,633.00)	(174,067.35)	(7,569,437)	(6,879,142)
Expenses for third party services	(64,112.95)	(335,619.45)	(2,912,382)	(13,263,681)
Costs of goods sold	(6,759,616.44)	(10,421,556.32)	(307,060,984)	(411,859,906)
Gross Profit	6,971,734.41	8,805,838.08	316,696,613	348,006,721
Salaries	(3,791,769.64)	(4,670,140.63)	(172,244,169)	(184,563,958)
Social security expenses	(605,995.70)	(839,844.35)	(27,527,839)	(33,190,649)
Other personnel expenses	(493,247.45)	(318,720.85)	(22,406,160)	(12,595,848)
Personnel expenses	(4,891,012.79)	(5,828,705.83)	(222,178,169)	(230,350,454)
Gross Profit II	2,080,721.62	2,977,132.25	94,518,444	117,656,267
Rental expenses	(323,707.20)	(280,151.55)	(14,704,659)	(11,071,589)
Maintenance and cost of repair	(181,038.55)	(204,666.90)	(8,223,821)	(8,088,436)
Vehicle expenses	(47,757.60)	(52,312.75)	(2,169,427)	(2,067,400)
Insurance expenses	(47,408.40)	(42,267.25)	(2,153,564)	(1,670,402)
Energy expenses	(29,597.80)	(43,151.80)	(1,344,504)	(1,705,359)
Administration expenses	(346,746.20)	(394,497.50)	(15,751,224)	(15,590,541)
Promotion expenses	(63,202.90)	(30,729.75)	(2,871,042)	(1,214,440)
Other operating expenses	(454,085.25)	(494,824.10)	(20,627,186)	(19,555,448)
Operating expenses	(1,493,543.90)	(1,542,601.60)	(67,845,426)	(60,963,615)
Earnings before interests, taxes, depreciation and amortization	587,177.72	1,434,530.65	26,673,018	56,692,651
Earnings before interests, taxes, depreciation and amortization	587,177.72	1,434,530.65	26,673,018	56,692,651
Depreciation	(186,564.20)	(333,613.30)	(8,474,828)	(13,184,398)
Earnings before interests and taxes	400,613.52	1,100,917.35	18,198,190	43,508,254
Financial expenses	(92,512.12)	(126,806.65)	(4,202,437)	(5,011,399)
Financial income	9,335.75	279,871.52	424,084	11,060,522
	(83,176.37)	153,064.87	(3,778,353)	6,049,124
Income resulting from another period	-	-	-	-
Expenses resulting from another period	-	(127,976.00)	-	(5,057,612)
Operating profit	317,437.15	1,126,006.22	14,419,836	44,499,766
Taxes	(33,319.90)	(11,978.30)	(1,513,583)	(473,382)
Net Income	284,117.25	1,114,027.92	12,906,253	44,026,383

Note: The figures of Mavag AG in CHF have been translated in to Indian Rupees using the year end exchange rate

Notes to the Financial Statements 2008/2009

	2008-09 CHF	2007-08 CHF	2008-09 Rs.	2007-08 Rs.
1. Fire insurance value of PPE (incl. Goods)	8,550,000.00	8,550,000.00	388,390,590	337,896,000
2. Amounts due to pension funds	-	99,846.65	-	3,945,940
3. Investments				
Mavag Verfahrenstechnik GmbH, Spremlingen				
GmbH-Kapital EUR 511'291.88 (DEM 1'000'000.--)				
Anteil / Shares of 90% EUR 460'162.69 (DEM 900'000.--)	1.00	1.00	45.43	39.52
4. The risk identification process was systematically applied. The main risks were classified into likelihood and their financial impact. These risk are avoided, reduced or shifted with decided measures by the board of directors. The risks, which are carried by the firm, are monitored consistently. The last risk assessment was performed by the board of directors at March 13, 2009. Based on this risk assessment, no specific provisions and adjustments were necessary in this financial statement				
5. In comparision to the prior year the presentation of the balance sheet accounts has been changed in parts. Prior year figures have not been adjusted to the current year presentaion.				

Proposed appropriation of the available earnings	2008-09 CHF	2007-08 CHF	2008-09 Rs.	2007-08 Rs.
	Proposition of the Board of Directors	Proposition of the Board of Directors	Proposition of the Board of Directors	Proposition of the Board of Directors
Balance brought forward	1,686,144.62	628,116.70	76,594,468	24,823,172
Net income for the year	284,117.25	1,114,027.92	12,906,253	44,026,383
Available unappropriated earnings to the General Meeting	1,970,261.87	1,742,144.62	89,500,722	68,849,555
Transfer to general legal reserve	(15,000.00)	(56,000.00)	(681,387)	(2,213,120)
Transfer to free reserve	-	-	-	-
Payment of a dividend	-	-	-	-
Balance to be carried forward	1,955,261.87	1,686,144.62	88,819,335	66,636,435

Note: The figures of Mavag AG in CHF have been translated in to Indian Rupees using the year end exchange rate

KARAMSAD HOLDINGS LIMITED

DIRECTORS REPORT

To the Members,

Your Directors submit the Twelveth Annual Report together with Audited Statement of Accounts for the year ended March 31, 2009.

FINANCIAL RESULTS

During the year under review, your company has made loss of Rs. 25,121/- in view of loss no dividend has been recommended.

INVESTMENTS

There is no change in the Investments made by the Company.

AUDITORS REMARK

As regards the observations made by the Auditors in their report (paragraph vi) regarding non registration of investment in name of the Company, the said matters has been clarified in the relevant notes forming part of the accounts which are self explanatory. Hence does not call for any further comments under section 217 of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- 1] That in the preparation of the annual accounts for the Financial Year ended March 31, 2009, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- 2] That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 financial year and of the profit or loss of the Company for the year under review.
- 3] That the Directors have taken proper and sufficient care 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 the Directors have prepared the accounts for the financial year ended March 31, 2009 on a 'going concern' basis.

SECRETARIAL AUDIT

Your Directors wish to state that pursuant to Section 383 A of the Companies Act, 1956, the Company has complied with all the provisions of the Act and a certificate to that effect has been obtained from a Company Secretary in whole time practice.

PARTICULARS OF EMPLOYEES

As there are no employees, the particulars prescribed Under Section 217 (2A) of the Companies Act, 1956 are not applicable.

PARTICULARS UNDER SECTION 217 (1) (E)

In view of the nature of business carried on by the company, the particulars required to be furnished pursuant to Section 217 (1) (e) of the Companies Act, 1956 are not applicable.

DIRECTOR

Mr. Ashok Patel, a Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

AUDITORS

M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad shall hold office up to this ensuing Annual General Meeting. Your directors recommend their re-appointment. Their eligibility certificate has been received for the next financial year.

For and on behalf of the Board of Director

Place : Mumbai
Date : July 28, 2009

N. H. Bhatt
Chairman

COMPLIANCE CERTIFICATE U/S. 383A (1) OF COMPANIES ACT, 1956.

CIN: U65900GJ1997PLC032513

Authorized Capital Rs. 100 Lakhs

The Members
Karamsad Holdings Ltd.
Vithal Udyognagar,
Karamsad – 388325
Gujarat

We have examined all the registers, records, books and papers of Karamsad Holdings Ltd. as required to be maintained under the Companies Act, 1956 (The Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31, 2009 in our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us, by the Company, its officers and agents, we certify that in respect of the aforesaid financial year.

- 1] The Company has kept and maintained all registers as stated in **Annexure "A"** to this certificate as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
- 2] The Company has duly filled the forms and returns as stated in **Annexure "B"** to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
- 3] The Company, being a public limited Company, comments are not required.
- 4] The Board of Directors duly met four times on April 14, 2008, July 1, 2008, October 23, 2008 and January 27, 2009 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed including the circular resolution passed, in the Minutes Book maintained for the purpose.
- 5] The Company was not required to close its Register of Members during the financial year under review.
- 6] The Annual General Meeting for the financial year ended on March 31, 2008 was held on September 25, 2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- 7] No Extraordinary General Meeting was held during the financial year.
- 8] The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Companies Act, 1956.
- 9] The Company had not entered into any contracts falling within the purview of Section 297 of the Companies Act, 1956.
- 10] The Company was not required to make any entries in the register maintained under Section 301 of the Companies Act, 1956.
- 11] As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Boards of directors, members or Central Government.
- 12] The Company has not issued any duplicate share certificates during the financial year.
- 13] The Company has
 - (i) Delivered all the certificates on lodgement thereof for transfer in accordance with the provisions of the Companies Act, 1956.
 - (ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) The Company was not required to post warrant to any member of the Company as no dividend was declared during the financial year.
 - (iv) The Company was not required to transfer any unpaid dividend/matured deposits/matured debentures, as the same is not applicable to the Company since the Company has not declared any dividend or accepted any deposits or issued any debentures at any time.

(v) Duly complied with the requirements of section 217 of the Act.

- 14] The Board of Directors is duly constituted and there were no resignation or appointment of additional director during the year.
- 15] The Company has not appointed any Managing Director/Whole-Time Director/Manager during the financial year.
- 16] The Company has not appointed any sole-selling agents during the financial year.
- 17] The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of Act during the financial year.
- 18] The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act, and the rules made thereunder.
- 19] The Company has not issued any shares, debentures or other securities during the financial year.
- 20] The Company has not bought back any shares during the financial year.
- 21] The Company has no redemption of preference shares or debentures during the financial year.
- 22] There were no transaction necessitating the Company to keep in abeyance the right to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 23] The Company has not invited public deposits falling within the purview of Section 58A of the Act, during the financial year. However the holding Company GMM Pfadler Ltd. has given an advance to the Company, which is exempted.
- 24] The Company being a public Company, the provisions of section 293(1)(d) of the Act, are applicable to the Company. However there are no borrowings from any Bank/Financial Institution/Others.
- 25] The Company has not made any loans or Investments during the financial year and hence no entries are made in the register kept for the purpose.
- 26] The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
- 27] The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.
- 28] The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny.
- 29] The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
- 30] The Company has not altered its articles of association during the financial year.
- 31] There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
- 32] The Company has not received any money as security from its employee during the financial year since the Company has no employee.
- 33] The Company has not deducted any contribution towards provident fund or ESI during the financial year as the rules of these acts are not applicable to the company.

Place : Mumbai
Date : July 28, 2009

V. Sundaram & Co.
Company Secretary
CP No. : 3373

ANNEXURE - A

The Company has maintained the following Registers:

- 1] Register of Investment U/s. 49
- 2] Register of Members U/s. 150
- 3] Register & Returns U/s. 163
- 4] Minutes Book of Meetings.
- 5] Books of Accounts U/s. 209
- 6] Register of Directors, Managing Directors, Manager and Secretary U/s. 303.
- 7] Register of Transfers.
- 8] Register of Documents Sealed.

ANNEXURE – B

Forms and Returns as filed by the Company during the financial year ended March 31, 2009 with Registrar of Companies, Regional Director, Central Government or other authorities.

Sr. No	Form No.	Section	Purpose	Date of filing	Status
1	23AC&ACA	220	Annual Accounts	04.12.08	Approved
2	20B	159	Annual Return	Not Filed*	NA
3	66	383	Compliance Certificate	04.12.08	Approved

*Form has been filed on June 19, 2009, prior to date of this report.

Place : Mumbai
Date : July 28, 2009

V. Sundaram & Co.
Company Secretary
CP No. : 3373

AUDITORS' REPORT

To,
The Members of
Karamsad Holdings Limited

1. We have audited the attached Balance Sheet of **Karamsad Holdings Limited** as at **March 31, 2009** and the related Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies [Auditors' Report] Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without qualifying our opinion, we invite attention to the fact that the previous year's audit report was qualified in respect of Investment amounting to Rs. 1,184,342/- in Equity shares of Nile Ltd., which were not registered in the name of the company, as NILE Ltd. had rejected the registration of transfer of the said shares. Subsequent to the date of Balance Sheet, the company and Nile Ltd. have resolved the dispute and consent terms have been signed with Nile Ltd. which has been approved by the Andhra Pradesh High Court on April 2, 2009. We are informed that pursuant to the consent terms Nile Ltd. has transferred/is in process of transferring the shares in the name of the company and these shares will be disinvested by the company and its subsidiaries over the next two to three years. (Please refer note-- 2 of Schedule-- 7).-
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
 - (ii) 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 the books.
 - (iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of the written representations received from directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2009.
 - b) In the case of the Profit & Loss Account, of the 'Loss' of the company for the year ended on that date. and
 - c) In the case of the cash flow statement, of the cash flows for year ended on that date.

For **KANTILAL PATEL & CO.**,
Chartered Accountants

Arpit K. Patel
Partner

Membership No.: 34032

Place : Ahmedabad
Date : July 28, 2009

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF KARAMSAD HOLDINGS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009.

1. (a) The Company has granted an interest free unsecured loan of Rs. 3,625,000 to a company covered in the register maintained under section 301 of the Companies Act, 1956.
The company has taken unsecured interest free loan of Rs. 1,403,321 from its holding company covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has taken and given interest free unsecured loan. The other terms and conditions of the said unsecured loan are also not prima facie prejudicial to the interest of the company.
- (c) The terms of repayment of interest free loan taken from holding Company and recovery of interest free loan given are not stipulated and hence, we are not offering any comments there under and in respect of whether there are any overdue amounts of such loans.
2. The Company has not entered into any transaction that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 and hence sub-clause (b) of para 4(v) is not applicable.
3. The company has not accepted deposits from public during the year under audit hence the provisions of section 58A & 58AA or any relevant provisions of the act and the rules framed there under are considered as not applicable.
4. We have no comments to make under clause (vii) of Paragraph 4 of the Order as the paid-up capital and reserves of the company did not exceed Rs. 50 lakhs as at the commencement of the financial year nor the average annual turnover of the company exceeded Rs. 5 Crores for the period of three consecutive financial years immediately preceding the financial year under review.
5. During the year there are no disputed or undisputed income tax dues which need to be deposited and also we have been informed that provisions of other Laws under which other statutory dues mentioned in the clause (ix) are covered, are not applicable to the company.
6. The company has been registered for a period, which is not less than five years and it has losses at the end of the financial year which are less than fifty per cent of its net worth. Further, the company has incurred cash losses in the financial year under review and in the immediately preceding financial year.
7. To the best of our knowledge and as confirmed to us by the management, no special statutes are applicable to the company.
8. The company has maintained proper records of the transactions and contracts in respect of investments and has also made timely entries therein. As mentioned in note no 2 of Schedule - 7, we are informed that subsequent to the date of Balance Sheet, Investments (18,300 Equity Shares of Rs. 10 each fully paid-up in Nile Ltd.) are transferred/in the process of being transferred in the name of the company.
9. As informed to us by the management and on the basis of review of utilisation of funds on an overall basis, no funds were raised on short term basis.
10. 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.
11. In our opinion and according to the information and explanations given to us, the nature of the company's business/activities during the year are such and as the company is neither engaged in the business activity of manufacturing or trading nor it has any fixed assets or inventory, nor it has obtained any borrowing facility from any bank or financial institution, nor it has granted loans and advances on the basis of security by way of pledge of shares and debentures and other security nor it has given guarantee for loans taken by others from bank or financial institutions and hence on clauses (i), (ii), (iv), (viii), (xi), (xii), (xv), (xvi), (xviii), (xix) and (xx) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company

For **KANTILAL PATEL & CO.**,
Chartered Accountants

Arpit K. Patel
Partner

Membership No.: 34032

Place : Ahmedabad
Date : July 28, 2009

BALANCE SHEET AS AT MARCH 31, 2009

Particulars	Schedule	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
SOURCES OF FUNDS:			
1. Shareholders' Funds:			
a) Share Capital	1	3,500,000	3,500,000
b) Reserves & Surplus		-	-
		<u>3,500,000</u>	<u>3,500,000</u>
2. Loan Funds:			
a) Unsecured Loans	2	1,403,321	1,403,321
Total Rs.		<u>4,903,321</u>	<u>4,903,321</u>
APPLICATION OF FUNDS:			
1. Fixed Assets		-	-
2. Investments	3	1,184,342	1,184,342
3. Current Assets, Loans & Advances:			
a) Cash & Bank Balances	4	3,090	9,573
b) Loans & Advances	5	3,625,000	3,625,000
Sub total: A		<u>3,628,090</u>	<u>3,634,573</u>
Less: Current Liabilities & Provisions:			
Current Liabilities	6	32,513	13,875
Provisions		-	-
Sub total: B		<u>32,513</u>	<u>13,875</u>
Net Current Assets (A-B)		<u>3,595,577</u>	3,620,698
4. Miscellaneous Expenditure (To the extent not written off or adjusted)			
Profit & Loss Account		123,402	98,281
Total Rs.		<u>4,903,321</u>	<u>4,903,321</u>
Significant Accounting Policies with Notes to the accounts	7		

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2009

Particulars	Schedule	01.04.2008 31.03.2009 (Rupees)	01.04.2007 31.03.2008 (Rupees)
INCOME:			
Dividend Income - Long Term Investments		-	-
Total Rs.		<u>Nil</u>	<u>Nil</u>
EXPENDITURE:			
Auditors' Remuneration		10,494	8,989
Bank Charges		923	160
Conveyance Expenses		-	848
Filing Fees		3,060	1,500
Professional Charges		9,444	4,326
Stamp Paper Charges		1,200	-
Total Rs.		<u>25,121</u>	<u>15,823</u>
Profit/(Loss) Before Tax		(25,121)	(15,823)
Profit/(Loss) after tax		(25,121)	(15,823)
Add: Balance brought forward from last year		(98,281)	(82,458)
Balance carried to Balance Sheet		<u>(123,402)</u>	<u>(98,281)</u>
Basic and Diluted Earnings per share of Rs. 10 each (refer note no. 3)		<u>(0.072)</u>	<u>(0.045)</u>
Significant Accounting Policies with Notes to the accounts	7		

This is the Balance Sheet referred as per our report of even date

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Arpit K. Patel
Partner
M. No.: 34032

Place : Ahmedabad
Date : July 28, 2009

For and on behalf of the Board

N. H. Bhatt Chairman
Ashok C. Pillai Director

Place : Mumbai
Date : July 28, 2009

This is the Profit & Loss Account referred as per our report of even date

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Arpit K. Patel
Partner
M. No.: 34032

Place : Ahmedabad
Date : July 28, 2009

For and on behalf of the Board

N. H. Bhatt Chairman
Ashok C. Pillai Director

Place : Mumbai
Date : July 28, 2009

KARAMSAD HOLDINGS LIMITED

CASH FLOW AS ON MARCH 31, 2009

Particulars	31.03.2009	31.03.2008
A. Cash flow from Operating Activities		
Net Profit/Loss before tax and extraordinary items, adjusted for	(25,121)	(15,823)
Operating Profit/Loss before working capital changes, adjusted for	(25,121)	(15,823)
Add: Decrease in Loans & Advances	-	-
Increase in Current Liabilities	18,638	3,662
Net cash from operating Activities	(6,483)	(12,161)
B. Cash flow from Investing Activities		
Net cash from Investing Activities	-	-
C. Cash Flow from Financing Activities		
Net cash from Financing Activities	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(6,483)	(12,161)
Cash & Cash Equivalents as at (Opening Balance) 01/04/2008	9,573	21,734
Cash & Cash Equivalents as at (Closing Balance) 31/03/2009	3,090	9,573
	(6,483)	(12,161)

Note:

The above Cash Flow Statement has been prepared under the 'Indirect Method as set out in "Accounting Standard - 3" issued by The Institute of Chartered Accountants of India.

This is the Cash Flow Statement referred as per our report of even date

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS

Arpit K. Patel
Partner
M. No. 34032

Place : Ahmedabad
Date : July 28, 2009

For and on behalf of the Board

N. H. Bhatt Chairman
Ashok C. Pillai Director

Place : Mumbai
Date : July 28, 2009

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

Particulars	As at 31.03.2009	As at 31.03.2008
SCHEDULE - 1 SHARE CAPITAL		
Authorised:		
1,000,000 Equity Shares of Rs.10/- each	10,000,000	10,000,000
Total Rs.	10,000,000	10,000,000
Issued, Subscribed & Paid-up:		
350,000 Equity Shares of Rs.10/- each fully paid up	3,500,000	3,500,000
(All the above 350,000 shares are held by GMM Pfadler Ltd., the holding company & its nominee)		
Total Rs.	3,500,000	3,500,000
SCHEDULE - 2 UNSECURED LOAN		
From Holding Company (GMM Pfadler Ltd.)	1,403,321	1,403,321
Total Rs.	1,403,321	1,403,321
SCHEDULE - 3 INVESTMENTS (LONG TERM, TRADE)		
Quoted		
18,300 (P.Y.18300) Equity Shares of Rs. 10/- each fully paid up in Nile Ltd. (Refer Note No. 2)		
(Market value Rs. 811,605/- P.Y. Rs. 2,583,960/-)		
Total Rs.	1,184,342	1,184,342
SCHEDULE - 4 CASH & BANK BALANCES:		
Cash on hand	75	75
With Scheduled Banks:		
In Current Account	3,015	9,498
Total Rs.	3,090	9,573
SCHEDULE - 5 LOANS & ADVANCES:		
Loans to a body corporate (Karamsad Investments Ltd.)	3,625,000	3,625,000
Total Rs.	3,625,000	3,625,000
SCHEDULE - 6 CURRENT LIABILITIES & PROVISIONS: CURRENT LIABILITIES		
Creditors for Expenses	32,513	13,875
Total Rs.	32,513	13,875

SCHEDULE – 7

SIGNIFICANT ACCOUNTING POLICIES WITH NOTES TO THE ACCOUNTS:

1. Accounting Policies:

- a) The financial statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles accepted in India and comply with the Companies (Accounting Standards) Rules, 2006 issued by the Central Government and relevant provisions of Companies Act, 1956 to the extent possible
- b) Investments are considered as long-term investments and include cost of acquisition and other related expenses. Provision for diminution in value of investments is made if the fall in value is other than of a temporary nature.
- c) The company has from 01-04-2001, decided to comply with the requirements of Accounting Standard 22 (AS-22) on Accounting for taxes on Income. Income tax expense will henceforth comprises current tax and deferred tax charge or release. Where there is carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.
- d) Revenue Recognition
Dividend income is recognized when the right to receive the same is established.

2. The company during 1998-99 acquired 18,300 equity shares in the capital of NILE LIMITED for a total consideration of Rs. 1,184,342/-. NILE Ltd. had rejected the registration of transfer of the said shares. Nile Ltd. have now resolved the dispute and Consent Term have been signed with Nile Limited, which were approved by the Andhra Pradesh High Court on April 2, 2009. The main terms of the said settlement are as follows:

- (i) Nile Ltd. will register the said shares in the name of the Company.
- (ii) The company will sell the said shares in the market within a period of 36 months which period may by mutual agreement be extended by further 12 months.
- (iii) Till disposal of shares the Company will not exercise voting rights on the said shares.
- (iv) Till disposal of shares the Company will not pledge the said shares or place the same by way of security with any institution for any consideration whatsoever.
- (v) If any rights shares are issued by Nile Ltd. in respect of the said shares then the Company shall renounce such rights to third parties not related to the company in any way, on such terms and at such price as the Company deems fit.

3. Earnings per share:

- a) The amount used as numerator in calculating basic and diluted earning per share is the net profit/(loss) for the year disclosed in the Profit and loss account.
- b) The weighted average number of equity share used as denominator in calculating both basic and diluted earnings per share is 350,000.

4. Company's operates in one segment i.e. investment. Hence, segment reporting as required under Accounting Standard 17 is not disclosed.

5. The details in terms of Accounting Standard 18 regarding Related Party disclosure, are provided here below :

Particulars	Nature of Relationship
Gmm Pfaudler Ltd.	Holding Company
Karamsad Investments Ltd.	Fellow Subsidiary

Note:

No transaction have been carried out with above referred Related parties during the year, except the opening balances continue to remain as closing balances.

6. Auditors' Remuneration:

	2008-09 Rupees	2007-08 Rupees
a) Statutory Audit Fees	10,494	8,989
b) Tax matters	4,944	3,933
c) Out of Pocket Expenses	-	848

7. The Company has been legally advised that it is not a non-banking financial company within the meaning of Reserve Bank of India Act, 1934.

8. Since the company is not carrying out manufacturing or trading activities, the details prescribed under the provisions of Paragraph 4 (c), Part II, Schedule VI of the Companies Act, 1956, are not presented.

9. Particulars:

	2008-09	2007-08
a) C.I.F. value of imports	Nil	Nil
b) Expenditure in foreign currencies	Nil	Nil
c) Earning in foreign currencies	Nil	Nil

10. Previous year figures have been re-grouped, wherever necessary to make them comparable with current year.

11. BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE.

I Registration Details			
Registration No.	04-32514	State Code	04
Balance Sheet Date	31.03.2009		
II Capital raised during the year:			
Public Issue	Nil	Private Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
III Position of Mobilisation & Deployment of Funds (Rupees in Thousand)			
Total Liabilities	4903	Total Assets	4903
Sources of Funds:			
Paid up Capital	3500	Reserves & Surplus	(-)123
Secured Loans	Nil	Unsecured Loans	1403
Application of Funds:			
Net Fixed Assets	Nil	Investments	1184
Net Current Assets	3596	Miscellaneous Exp.	Nil
IV Performances of Company (Rupees in Thousands):			
Turnover	Nil	Total Expenditure	(-) 25
Profit (+)/ Loss (-) before Tax	(-) 25	Profit (+)/Loss (-) after Tax	(-) 25
Earning per share in Rs.	(-) 0.072		
V Generic names of three principal products/services of company. The clause is considered as not applicable.			

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS

Arpit K. Patel
Partner
M. No.: 34032

Place : Ahmedabad
Date : July 28, 2009

For and on behalf of the Board

N. H. Bhatt Chairman
Ashok C. Pillai Director

Place : Mumbai
Date : July 28, 2009

KARAMSAD INVESTMENTS LIMITED

DIRECTORS REPORT

To the Members,

Your Directors submit the Twelfth Annual Report together with Audited Statement of Accounts for the year ended March 31, 2009.

FINANCIAL RESULTS:

During the year under review, your company has made loss of Rs. 24,548/-. In view of loss no dividend has been recommended.

INVESTMENTS:

There is no change in the Investments made by the Company.

AUDITORS REMARK:

As regards the observations made by the Auditors in their report (paragraph vi) regarding and non registration of investment in name of the Company, the said matters has been clarified in the relevant notes forming part of the accounts which are self explanatory. Hence does not call for any further comments under section 217 of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- 1] That in the preparation of the annual accounts for the Financial Year ended March 31, 2009, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- 2] That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 financial year and of the profit or loss of the Company for the year under review.
- 3] That the Directors have taken proper and sufficient care 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 the Directors have prepared the accounts for the financial year ended March 31, 2009 on a 'going concern' basis.

SECRETARIAL AUDIT:

Your Directors wish to state that pursuant to Section 383 A of the Companies Act, 1956, the Company has complied with all the provisions of the Act and a certificate to that effect has been obtained from a Company Secretary in whole time practice.

PARTICULARS OF EMPLOYEES:

As there are no employees, the particulars prescribed Under Section 217 (2A) of the Companies Act, 1956 are not applicable.

PARTICULARS UNDER SECTION 217 (1) (E):

In view of the nature of business carried on by the company, the particulars required to be furnished pursuant to Section 217 (1) (e) of the Companies Act, 1956 are not applicable.

DIRECTORS:

Mr. M. H. Joshi, a Director of the Company retires by rotation and being eligible offers himself for re-appointment.

AUDITORS:

M/s Kantilal Patel & Co., Chartered Accountants, Ahmedabad shall hold office upto this ensuing Annual General Meeting. Your directors recommend their re-appointment. Their eligibility certificate has been received for the next financial year.

For and on behalf of the Board of Directors

Place : Mumbai
Date : July 28, 2009

Ashok Pillai
Chairman

COMPLIANCE CERTIFICATE U/S. 383A(1) OF COMPANIES ACT, 1956

CIN:U65990GJ1997PLC032513

Authorized Capital Rs. 100 Lakhs

The Members
Karamsad Investments Ltd.
Vithal Udyognagar,
Karamsad – 388325
Gujarat

We have examined all the registers, records, books and papers of Karamsad Investments Ltd. as required to be maintained under the Companies Act, 1956 (The Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31, 2009 in our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us, by the Company, its officers and agents, we certify that in respect of the aforesaid financial year.

- 1] The Company has kept and maintained all registers as stated in **Annexure "A"** to this certificate as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
- 2] The Company has duly filled the forms and returns as stated in **Annexure "B"** to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
- 3] The Company, being a public limited Company, comments are not required.
- 4] The Board of Directors duly met four times on April 14, 2008, July 1, 2008, October 23, 2008 and January 27, 2009 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed including the circular resolution passed, in the Minutes Book maintained for the purpose.
- 5] The Company was not required to close its Register of Members during the financial year under review.
- 6] The Annual General Meeting for the financial year ended on March 31, 2008 was held on September 25, 2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- 7] No Extraordinary General Meeting was held during the financial year.
- 8] The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Companies Act, 1956.
- 9] The Company had not entered into any contracts falling within the purview of Section 297 of the Companies Act, 1956.
- 10] The Company was not required to make any entries in the register maintained under Section 301 of the Companies Act, 1956.
- 11] As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Boards of directors, members or Central Government.
- 12] The Company has not issued any duplicate share certificates during the financial year.
- 13] The Company has
 - (i) Delivered all the certificates on lodgement thereof for transfer in accordance with the provisions of the Companies Act, 1956.
 - (ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) The Company was not required to post warrant to any member of the Company as no dividend was declared during the financial year.
 - (iv) The Company was not required to transfer any unpaid dividend/matured deposits/matured debentures, as the same is not applicable to the Company since the Company has not declared any dividend or accepted any deposits or issued any debentures at any time.

(v) Duly complied with the requirements of section 217 of the Act.

- 14] The Board of Directors is duly constituted and there were no resignation or appointment of additional director during the year.
- 15] The Company has not appointed any Managing Director / Whole-Time Director / Manager during the financial year.
- 16] The Company has not appointed any sole-selling agents during the financial year.
- 17] The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of Act during the financial year.
- 18] The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act, and the rules made thereunder.
- 19] The Company has not issued any shares, debentures or other securities during the financial year.
- 20] The Company has not bought back any shares during the financial year.
- 21] The Company has no redemption of preference shares or debentures during the financial year.
- 22] There were no transaction necessitating the Company to keep in abeyance the right to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 23] The Company has not invited public deposits falling within the purview of Section 58A of the Act, during the financial year. However the holding Company GMM Pfaudler Ltd. has given an advance to the Company which is exempted.
- 24] The Company being a public Company, the provisions of section 293(1)(d) of the Act, are applicable to the Company. However there are no borrowings from any Bank / Financial Institution / Others.
- 25] The Company has not made any loans or Investments during the financial year and hence no entries are made in the register kept for the purpose.
- 26] The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
- 27] The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.
- 28] The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny.
- 29] The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
- 30] The Company has not altered its Articles of Association during the financial year.
- 31] There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
- 32] The Company has not received any money as security from its employee during the financial year since the Company has no employee.
- 33] The Company has not deducted any contribution towards provident fund during the financial year since the Company has no employee.

Place : Mumbai
Date : July 28, 2009

V. Sundaram & Co.
Company Secretary
CP No. : 3373

ANNEXURE - A

The Company has maintained the following Registers:

- 1] Register of Investment U/s. 49
- 2] Register of Members U/s. 150
- 3] Register & Returns U/s. 163
- 4] Minutes Book of Board & General Meetings.
- 5] Books of Accounts U/s. 209
- 6] Register of Directors, Managing Directors, Manager and Secretary U/s. 303.
- 7] Register of Transfers.
- 8] Register of Documents Sealed.

ANNEXURE – B

Forms and Returns as filed by the Company during the financial year ended March 31, 2009 with Registrar of Companies, Regional Director, Central Government or other authorities.

Sr. No	Form No.	Section	Purpose	Date of filing	Status
1	23AC&ACA	220	Annual Accounts	04.12.08	Approved
2	20B	159	Annual Return	Not filed*	NA
3	66	383	Compliance Certificate	04.12.08	Approved

* Form has been filed on July 28, 2009, date of this report.

Place : Mumbai
Date : July 28, 2009

V. Sundaram & Co.
Company Secretary
CP No. : 3373

AUDITORS' REPORT

To,
The Members of
KARAMSAD INVESTMENTS LIMITED

1. We have audited the attached balance sheet of **Karamsad Investments Limited** as at **March 31, 2009** and the related profit & loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies [Auditors' Report] Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Without qualifying our opinion, we invite attention to the fact that the previous year's audit report was qualified in respect of Investment amounting to Rs. 18,374,247/- in Equity shares of Nile Ltd., which were not registered in the name of the company, as NILE Ltd. had rejected the registration of transfer of the said shares. Subsequent to the date of Balance Sheet, the company and Nile Ltd. have resolved the dispute and consent terms have been signed with Nile Ltd. which has been approved by the Andhra Pradesh High Court on April 2, 2009. We are informed that pursuant to the consent terms Nile Ltd. has transferred/is in process of transferring the shares in the name of the company and these shares will be disinvested by the company and its subsidiaries over the next two to three years. (Please refer note -- 2 of schedule -- 6).
5. Further to our comments in the annexure referred to in paragraph 1 above, we report that :
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
 - (ii) 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 the books.
 - (iii) The balance sheet and profit & loss account dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the balance sheet and profit & loss account dealt with by this report comply with accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of the written representations received from directors, as on March 31, 2009, and taken on record by the board of directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the balance sheet, of the state of affairs of the Company as at March 31, 2009.
 - b) In the case of the profit & loss account, of the 'Loss' of the company for the year ended on that date. and
 - c) In the case of the cash flow statement, of the cash flows for year ended on that date.

For **KANTILAL PATEL & CO.**,
Chartered Accountants

Arpit K. Patel

Partner

Membership No.: 34032

Place : Ahmedabad
Date : July 28, 2009

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF KARAMSAD INVESTMENTS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009.

1. (a) The company has not granted any loan, secured or unsecured to any company, firm or party.
- (b) The company has taken interest free unsecured loans from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The company has taken loan from the holding company (Rs. 12,364,291) and from other body corporate (Rs. 3,625,000).
- (c) The other terms and conditions of the said unsecured loans are also not prima facie prejudicial to the interest of the company.
- (d) The terms of repayment of interest free loans taken from holding company and the other body corporate are not stipulated and hence we have no comments for repayment.
2. The company has not entered into any transaction that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 and hence sub-clause (b) of the para 4(v) is not applicable.
3. The company has not accepted deposits from public during the year under audit hence the provisions of section 58A & 58AA of the Companies Act, 1956 or any relevant provisions of the act and the rules framed there under are considered as not applicable.
4. We have no comments to make under clause (vii) of paragraph 4 of the order as the paid-up capital and reserves of the company did not exceed Rs. 50 lakhs as at the commencement of the financial year nor the average annual turnover of the company exceeded Rs. 5 crores for the period of three consecutive financial years immediately preceding the financial year under review.
5. During the year there are no disputed or undisputed income tax dues which need to be deposited and also we have been informed that provisions of other Laws under which other statutory dues mentioned in the clause (ix) are covered, are not applicable to the company.
6. The company has been registered for a period, which is not less than five years, and it has losses at the end of the financial year which are less than fifty per cent of its net worth. Further, the company has incurred cash losses in the financial year under review and in the immediately preceding financial year.
7. To the best of our knowledge and as confirmed to us by the management, no special statutes are applicable to the company.
8. The company has maintained proper records of the transactions and contracts in respect of investments and has also made timely entries therein. As mentioned in note no. 2 of schedule - 6, we are informed that subsequent to the date of Balance Sheet, Investments (315,595 equity shares of Rs. 10 each fully paid-up in Nile Ltd.) are transferred/in the process of being transferred in the name of the company.
9. As informed to us by the management and on the basis of review of utilization of funds on an overall basis, no funds were raised on short term basis.
10. 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.
11. In our opinion and according to the information and explanations given to us, the nature of the company's business/activities during the year are such and as the company is neither engaged in the business activity of manufacturing or trading nor it has any fixed assets or inventory, nor it has obtained any borrowing facility from any bank or financial institution, nor it has granted loans and advances on the basis of security by way of pledge of shares and debentures and other security nor it has given guarantee for loans taken by others from bank or financial institutions and hence on (i), (ii), (iv), (viii), (xi), (xii), (xv), (xvi), (xviii), (xix) and (xx) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

For **KANTILAL PATEL & CO.**,
Chartered Accountants

Arpit K. Patel

Partner

Membership No.: 34032

Place : Ahmedabad
Date : July 28, 2009

BALANCE SHEET AS AT MARCH 31, 2009

Particulars	Schedule	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
SOURCES OF FUNDS:			
1. Shareholders' Funds:			
a) Share Capital	1	2,600,000	2,600,000
b) Reserves & Surplus		-	-
		<u>2,600,000</u>	<u>2,600,000</u>
2. Loan Funds:			
a) Secured Loans		-	-
b) Unsecured Loans	2	15,989,291	15,989,291
Total Rs.		<u>18,589,291</u>	<u>18,589,291</u>
APPLICATION OF FUNDS:			
1. Fixed Assets		-	-
2. Investments	3	18,374,247	18,374,247
3. Current Assets, Loans & Advances:			
a) Cash & Bank Balances	4	10,811	16,521
Sub Total A		<u>10,811</u>	<u>16,521</u>
Less: Current Liabilities & provisions:			
Current liabilities		32,713	13,875
Provisions		-	-
Sub Total B	5	<u>32,713</u>	<u>13,875</u>
Net Current Assets (A-B)		<u>(21,902)</u>	<u>2,646</u>
4. Miscellaneous Expenditure (To the extent not written off or adjusted)		-	-
Balance of profit and loss account		236,946	212,398
Total Rs.		<u>18,589,291</u>	<u>18,589,291</u>
Significant Accounting Policies with Notes to the accounts	6		

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Particulars	Schedule	01.04.2008 31.03.2009 (Rupees)	01.04.2007 31.03.2008 (Rupees)
INCOME:			
Dividend Income - Long Term Investments		-	-
Total Rs.		<u>Nil</u>	<u>Nil</u>
EXPENDITURE:			
Audit Fees & Expenses		10,494	8,989
Bank Charges		150	100
Conveyance Expenses		-	848
Filing Fees		3,060	1,500
Professional charges		9,444	4,326
Stamp Paper Charges		1,400	-
Total Rs.		<u>24,548</u>	<u>15,763</u>
Profit/(Loss) Before Tax		<u>(24,548)</u>	<u>(15,763)</u>
Profit/(Loss) After Tax		<u>(24,548)</u>	<u>(15,763)</u>
Add : Balance brought forward from last year		<u>(212,398)</u>	<u>(196,635)</u>
Balance carried to Balance Sheet		<u>(236,946)</u>	<u>(212,398)</u>
Basic and Diluted Earnings per share of Rs. 10 each (refer note no. 3)		<u>(0.094)</u>	<u>(0.061)</u>
Significant Accounting Policies with Notes to the accounts	6		

This is the Balance Sheet referred as per our report of even date

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS

Arpit K. Patel
Partner
M. No.: 34032

Place : Ahmedabad
Date : July 28, 2009

For and on behalf of the Board

Ashok C. Pillai Chairman
A. N. Mohanty Director

Place : Mumbai
Date : July 28, 2009

This is the Profit & Loss account referred as per our report of even date

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS

Arpit K. Patel
Partner
M. No.: 34032

Place : Ahmedabad
Date : July 28, 2009

For and on behalf of the Board

Ashok C. Pillai Chairman
A. N. Mohanty Director

Place : Mumbai
Date : July 28, 2009

CASH FLOW AS ON MARCH 31, 2009

Particulars	31.03.2009	31.03.2008
A. Cash flow from Operating Activities		
Net Profit/Loss before tax and extraordinary items, adjusted for	(24,548)	(15,763)
Operating Profit/Loss before working capital changes, adjusted for	(24,548)	(15,763)
Add: Increase in Current Liabilities	18,638	3,662
Net cash from operating Activities	(5,710)	(12,101)
B. Cash flow from Investing Activities		
Net cash from Investing Activities	-	-
C. Cash Flow from Financing Activities		
Repayment of Borrowing	-	-
Net cash from Financing Activities	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(5,710)	(12,101)
Cash & Cash Equivalents as at (Opening Balance) 01/04/2008	16,521	28,622
Cash & Cash Equivalents as at (Closing Balance) 31/03/2009	10,811	16,521
	(5,710)	(12,101)

Note:

The above Cash Flow Statement has been prepared under the 'Indirect Method as set out in "Accounting Standard - 3" issued by The Institute of Chartered Accountants of India.

This is the Cash Flow Statement referred as per our report of even date

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS

Arpit K. Patel
Partner
M. No.: 34032

Place : Ahmedabad
Date : July 28, 2009

For and on behalf of the Board

Ashok C. Pillai Chairman
A. N. Mohanty Director

Place : Mumbai
Date : July 28, 2009

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

Particulars	As at 31.03.2009	As at 31.03.2008
SCHEDULE - 1 SHARE CAPITAL		
Authorised:		
1,000,000 Equity Shares of Rs. 10/- each	10,000,000	10,000,000
Total Rs.	10,000,000	10,000,000
Issued, Subscribed & Paid-up:		
260,000 Equity Shares of Rs.1 0/- each fully paid up	2,600,000	2,600,000
(All the above 260,000 shares are held by GMM Pfadler Ltd., the holding company & its nominee)		
Total Rs.	2,600,000	2,600,000
SCHEDULE - 2 UNSECURED LOAN		
From Holding Company (GMM Pfadler Ltd.)	12,364,291	12,364,291
From Other Body Corporate (Karamsad Holdings Ltd.)	3,625,000	3,625,000
Total Rs.	15,989,291	15,989,291
SCHEDULE - 3 INVESTMENTS (LONG TERM, TRADE)		
Quoted		
315,595 (P.Y 315,595) Equity Shares of Rs. 10/- each fully paid up in Nile Limited (Refer note no. 2)		
(Market value Rs. 13,996,638/- P. Y. Rs. 44,562,014/-)	18,374,247	18,374,247
Total Rs.	18,374,247	18,374,247
SCHEDULE - 4 CASH & BANK BALANCES:		
Cash on hand	50	50
With Scheduled Banks:		
In Current Account	10,761	16,471
Total Rs.	10,811	16,521
SCHEDULE - 5 CURRENT LIABILITIES & PROVISIONS :		
CURRENT LIABILITIES :		
Sundry Creditors	32,713	13,875
Total Rs.	32,713	13,875

SCHEDULE – 6

SIGNIFICANT ACCOUNTING POLICIES WITH NOTES TO THE ACCOUNTS:

1. Accounting Policies:

- a) The financial statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles accepted in India and comply with the Companies (Accounting Standards) Rules, 2006 issued by the Central Government and relevant provisions of Companies Act, 1956 to the extent possible
 - b) Investments are considered as long-term investments and include cost of acquisition and other related expenses. Provision for diminution in value of investments is made if the fall in value is other than of a temporary nature.
 - c) The company has from 01-04-2001, decided to comply with the requirements of Accounting Standard 22 (AS-22) on Accounting for taxes on Income. Income tax expense will henceforth comprises current tax and deferred tax charge or release. Where there is carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.
 - d) Revenue Recognition
Dividend income is recognized when the right to receive the same is established.
2. The company during 1998-99 acquired 315,592 equity shares in the capital of NILE LIMITED for a total consideration of Rs. 18,374,247/- NILE Ltd. had rejected the registration of transfer of the said shares. Nile Ltd. have now resolved the dispute and Consent Term have been signed with Nile Limited, which were approved by the Andhra Pradesh High Court on April 2, 2009. The main terms of the said settlement are as follows:
- (i) Nile Ltd. will register the said shares in the name of the Company.
 - (ii) The company will sell the said shares in the market within a period of 36 months which period may by mutual agreement be extended by further 12 months.
 - (iii) Till disposal of shares the Company will not exercise voting rights on the said shares.
 - (iv) Till disposal of shares the Company will not pledge the said shares or place the same by way of security with any institution for any consideration whatsoever.
 - (v) If any rights shares are issued by Nile Ltd. in respect of the said shares then the Company shall renounce such rights to third parties not related to the company in any way, on such terms and at such price as the Company deems fit.
3. Earnings per share :
- a) The amount used as numerator in calculating basic and diluted earning per share is the net profit/(loss) for the year disclosed in the Profit and loss account.
 - b) The weighted average number of equity share used as denominator in calculating both basic and diluted earnings per share is 200,000.
4. Company's operates in one segment i.e. investment. Hence, segment reporting as required under Accounting Standard 17 is not disclosed.
5. The details in terms of Accounting Standard 18 regarding Related Party disclosure, are provided here below :

Particulars	Nature of Relationship
Gmm Pfaudler Ltd.	Holding Company
Karamsad Holdings Ltd.	Fellow Subsidiary

Note:

No transaction have been carried out with above referred Related parties during the year, except the opening balances continue to remain as closing balances.

6. Auditors' Remuneration:

	2008-09 Rupees	2007-08 Rupees
a) Statutory Audit Fees	10494	8989
b) Tax matters	4944	3933
c) Out of Pocket Expenses	--	848

7. The Company has been legally advised that it is not a non-banking financial company within the meaning of Reserve Bank of India Act, 1934.

8. Since the company is not carrying out manufacturing or trading activities, the details prescribed under the provisions of Paragraph 4 (c), Part II, Schedule VI of the Companies Act, 1956, are not presented.

9. Particulars:

	2008-09	2007-08
a) C.I.F. value of imports	Nil	Nil
b) Expenditure in foreign currencies	Nil	Nil
c) Earning in foreign currencies	Nil	Nil

10. Previous year figures have been re-grouped, wherever necessary to make them comparable with current year.

11. BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE.

I Registration Details			
Registration No.	04-32513	State Code	04
Balance Sheet Date	31.03.2009		
II Capital raised during the year:			
Public Issue	Nil	Private Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
III Position of Mobilisation & Deployment of Funds (Rupees in Thousand)			
Total Liabilities	18589	Total Assets	18589
Sources of Funds:			
Paid up Capital	2600	Reserves & Surplus	(-)237
Secured Loans	Nil	Unsecured Loans	15989
Application of Funds:			
Net Fixed Assets	Nil	Investments	18374
Net Current Assets	(-) 22	Miscellaneous Exp.	Nil
IV Performances of Company (Rupees in Thousands):			
Turnover	Nil	Total Expenditure	(-) 25
Profit (+)/ Loss (-) before Tax	(-) 25	Profit (+) / Loss (-) after Tax	(-) 25
Earning per share in Rs.	(-) 0.094		
V Generic names of three principal products/services of company. The clause is considered as not applicable.			

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS

Arpit K. Patel
Partner
M. No.: 34032

Place : Ahmedabad
Date : July 28, 2009

For and on behalf of the Board

Ashok C. Pillai Chairman
A. N. Mohanty Director

Place : Mumbai
Date : July 28, 2009



GMM PFAUDLER LIMITED

Annual Report 2008 - 2009

REGISTERED OFFICE & WORKS

Vithal Udyognagar,
Anand Sojitra Road,
Karamsad - 388 325.
Gujarat.
Tel: (02692) 661700
Fax: (02692) 661888
Email: worksko@gmmpfaudler.co.in

CORPORATE OFFICE

1001, Peninsula Towers,
Peninsula Corporate Park,
Ganpatrao Kadam Marg,
Lower Parel (West),
Mumbai - 400 013.
Tel: (+ 91 - 022) 6650 3900
Fax: (+ 91 - 022) 6650 3939
Email: corporate@gmmpfaudler.co.in

SALES OFFICES

Ahmedabad

2, B Jadhav Chambers,
3rd Floor, Ashram Road,
Ahmedabad - 380 009.
Tel: (079) 2754 6822, 2754 6924
Fax: (079) 2754 6894
Email: sales.ahmd@gmmpfaudler.co.in

Hyderabad

Plot No. 53 A, 1st Floor, Paigah Colony,
Opp. Professional Courier,
Hyderabad - 500 003.
Tel: (040) 2772 1008
Fax: (040) 2784 6646
Email: sales.hyd@gmmpfaudler.co.in

Bangalore

23/2, C/o Pan Asia Business Services,
Vittal Mallya Road,
Bangalore - 560 001.
Tel: (080) 2227 5308
Fax: (080) 2227 5604
Email: sambarish@gmmpfaudler.co.in

New Delhi

210, 2nd Floor,
Pragati Tower, 26, Rajendra Place,
New Delhi - 110 008.
Tel: (011) 2572 1566
Fax: (011) 2581 4913
Email: sales.del@gmmpfaudler.co.in

Chennai

"City Center" No. 4,
No. 39, Ground Floor,
Thirumallai Pillai Road,
T. Nagar, Chennai - 600 017.
Tel: (044) 2815 7906
Fax: (044) 2815 8249
Email: sales.chn@gmmpfaudler.co.in

Vadodara

227, Sidharth Complex,
R. C. Dutta Road,
Alkapuri,
Vadodara - 390 005.
Tel: (0265) 235 4790
Fax: (0265) 231 1482
Email: sales.vad@gmmpfaudler.co.in



GMM PFAUDLER LIMITED

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 46th Annual General Meeting of the Company at Sardar Vallabhbhai Patel and Veer Vithalbhair Patel Memorial, Anand - Sojitra Road, Karamsad - 388 325, Gujarat on Wednesday, September 30, 2009 at 10.00 am.

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

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 46th Annual General Meeting of the Company to be held on September 30, 2009 and at any adjournment thereof.
 Signed this _____ day of September, 2009.

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.



