

2<sup>nd</sup> July 2013

Corporate Relationship Department  
Bombay Stock Exchange Limited  
1<sup>st</sup> Floor, P J Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

**Ref: Stock Code 505250**

Dear Sir,

Pursuant to Clause 31 of the Listing Agreement, kindly find Notice of 74<sup>th</sup> AGM along with Annual Report 2012-2013 attached herewith.

Further, Pursuant to clause 31 of the Listing Agreement, Kindly find Covering letter of the Annual Audit Report to be filed with the Stock attached herewith.

You are requested to take the same on record.

Thanking You,

Yours faithfully,  
For G. G. Dandekar Machine Works Ltd.



Jayanta Dashottar  
Company Secretary



**Regd. Office & Factory :**  
B-211/1, MIDC Butibori Industrial Area,  
Kinhi Village, Tah. Hingna,  
Dist. Nagpur - 441122 (Maharashtra)  
Tel. : (07104) 667300  
Fax : (07104) 667302  
Website : [www.ggdandekar.com](http://www.ggdandekar.com)

**Factory :**  
Dandekar Wadi, Bhiwandi - 421 302.  
Dist. Thane, Mumbai (INDIA)  
Tel. : (0252) 229870, 229871  
Fax : (0252) 229873  
Website : [www.ggdandekar.com](http://www.ggdandekar.com)

**Annual Report on the year ended on 31<sup>st</sup> March 2013****Board of Directors:**

Mr. Atul Kirloskar	Chairman
Mr. Nihal Kulkarni	Vice Chairman
Mr. Dattatraya Swar	Director
Ms. Aditi Chirmule	Director
Mr. Vinod Sethi	Director
Mr. Madhav Chandrachud	Director
Mr. Pranav Deshpande	Executive Director
Mr. Jeetendra Shende	Director (Resigned as a Director of the Company with effect from 8 <sup>th</sup> January 2013)

**Auditors:**

M/s Joshi & Kulkarni,  
Chartered Accountants, C.T.S. No.108/10,  
"UTKARSH", Bharati Niwas Society,  
Off. Prabhat Road, Lane No.14,  
Erandvane, Pune - 411 004.  
Firm Regn. No: 115751W

**Bankers:**

Punjab National Bank

**Registrar & Transfer Agents:**

Link Intime India Private Limited  
Block No. 202, Akshay Complex,  
Off. Dhole Patil Road,  
Near Ganesh Temple, Pune 411 001  
Tel: +91 (20) 2616 1629 / 2616 0084  
Fax: +91 (20) 2616 3503  
Email: pune@linkintime.co.in

**Registered Office:**

211/A, MIDC, Butibori Industrial Area,  
Village Kinhi, Tal. Hingana, Dist. Nagpur – 441 122.  
Tel: +91 (7104) 667300  
Fax: +91 (7104) 667302  
Website: www.ggdandekar.com

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**Information for Shareholders:**

Annual General Meeting:

Date & Time: 31<sup>st</sup> July 2013 at 11.30 am

Venue: 211/A, MIDC, Butibori Industrial Area, Village Kinhi, Tal. Hingana,  
Dist. Nagpur – 441 122.

Dates of Book Closure: 27<sup>th</sup> July 2013 to 31<sup>st</sup> July 2013 (Both days inclusive)

## **G. G. DANDEKAR MACHINE WORKS LIMITED**

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### **NOTICE**

Notice is hereby given that the 74<sup>th</sup> Annual General Meeting of G. G. Dandekar Machine Works Limited will be held on Wednesday, the 31<sup>st</sup> day of July 2013 at 11.30 am at the Registered Office of the Company at 211/A, MIDC, Butibori Industrial Area, Villag Kinhi, Taluka Hingana, District Nagpur 441122 to transact the following business:

#### **ORDINARY BUSINESS:**

##### **ITEM NO. 1:**

To receive, consider and adopt the Audited Balance Sheet & Statement of Profit and Loss for the Financial Year ended on 31<sup>st</sup> March 2013, and the Reports of the Board of Directors and Auditors thereon.

##### **ITEM NO. 2:**

To appoint a Director in place of Mr. Atul Kirloskar, who retires by rotation and being eligible, offers himself for re-appointment.

##### **ITEM NO. 3:**

To appoint a Director in place of Mr. Nihal Kulkarni, who retires by rotation and being eligible, offers himself for re-appointment.

##### **ITEM NO. 4:**

To appoint M/s. Joshi & Kulkarni., Chartered Accountants, (Firm Registration Number 115751W) as Auditors of the Company for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

#### **SPECIAL BUSINESS:**

##### **ITEM NO. 5:**

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

**“RESOLVED THAT** Mr. Madhav Chandrachud, who was co-opted as an Additional Director by the Board of Directors of the Company with effect from 10<sup>th</sup> November 2012 and who holds office of Director up to the date of this Annual General Meeting pursuant to Article 108A of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.”

##### **ITEM NO. 6:**

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

**“RESOLVED THAT** Mr. Pranav Deshpande, who was co-opted as an Additional Director by the Board of Directors of the Company with effect from 8<sup>th</sup> January 2013 and who holds office of Director up to the date of this Annual General Meeting pursuant to Article 110 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.”

##### **ITEM NO. 7**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311, 314 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) read with Articles 110, 112 and 122 of the Articles of Association of the Company and Schedule XIII of the Companies Act, 1956 (including any amendment or statutory modification thereto for the time being in force) and subject to such sanctions as may be necessary, Mr. Pranav Deshpande who was already serving the Company as its Head-Finance, be and is hereby appointed as the Executive Director, liable to retire by rotation for a period of 3 (Three) years commencing from 8<sup>th</sup> January 2013, upon the terms and conditions as set out in the agreement to be entered into between the Company and Mr. Pranav Deshpande and on the remuneration as set out below:

Basic Salary: Rs. 40,000/- (Rupees Forty Thousand only) per month.

**ALLOWANCES:**

- House Rent Allowance: Rs. 20,000/- (Rupees Twenty Thousand only) per month
- Conveyance Allowance: Rs. 10,000/- (Rupees Ten Thousand only) per month
- Leave Travel Allowance: Rs. 10,000/- (Rupees Ten Thousand only) per month
- Medical Allowance: Rs. 12,000/- (Rupees Twelve Thousand only) per month
- Special Allowance: Rs. 26,500/- (Rupees Twenty Six Thousand Five Hundred Only) per month

**PERQUISITES:**

In addition to the aforesaid salary, Mr. Pranav Deshpande as an Executive Director shall be entitled to the following perquisites:

- Contribution to provident fund to the extent this is not taxable under the Income Tax Act, 1961.
- Gratuity at the rate of 15 days' salary for each completed year of service, and

Perquisites shall be evaluated as per the provisions of the Income Tax Rules.

**COMMISSION:**

Commission shall be decided by the Board of Directors based on the net profits of the Company each year, subject to the condition that the aggregate remuneration of an Executive Director shall not exceed the limit laid down under Section 309 of the Companies Act, 1956.

**MINIMUM REMUNERATION:**

In the event of loss or inadequacy of profits in any Financial Year during the currency of his tenure as an Executive Director, remuneration by way of salary, perquisites and other allowances shall be in accordance with the ceiling prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956, or any statutory modification thereof, as minimum remuneration.

For the purpose of computation of minimum remuneration, the following shall not be included:

- Contribution to provident fund to the extent of this is not taxable under the Income Tax Act, 1961.
- Gratuity at a rate of 15 days' salary for each completed year of service."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to revise from time to time during the tenure of the present appointment of Mr. Pranav Deshpande, the remuneration payable to him as an Executive Director, subject to ceilings laid down in Section 198, 309 and Schedule XIII to the Companies Act, 1956 without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

**ITEM NO. 8**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT**, subject to the approval of the Company by a special resolution to be passed at a general meeting under section 31 of the Companies Act, 1956 and other required approvals, article 111 of the Articles of association of the Company be & is hereby altered as follows:

'A Director shall not be required to hold any Qualification Share'

And consequential changes in other two articles in a manner set out below:

1. By deleting in Article 108 the words 'A Debenture Director shall not be bound to hold any qualification shares.'
2. By deleting in Article 108A the words 'A Special Director need not hold any qualification shares and need not be a member of the Company.'

**By Order of the Board of Directors**

**Place: Pune**  
**Date: 28<sup>th</sup> May 2013**

**Jayata Dashottar**  
**Company Secretary**

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### **NOTES:**

- i. A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- ii. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours before the time fixed for holding the meeting. Proxies shall not have any right to speak at the meeting.
- iii. Pursuant to Section 173 of the Companies Act, 1956, Item No. 2 & 3 do not required explanatory statement as they are ordinary businesses and an Explanatory Statement in respect of the businesses mentioned under Item No. 5, 6, 7 and 8 above, is annexed.
- iv. The Register of Members and share transfer books of the Company will remain closed from, **27 July 2013 to 31 July 2013**, both days inclusive.
- v. The documents relating to items of Special Business are available for inspection by the Members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on any working day of the Company.
- vi. Pursuant to Section 205A of the Companies Act, 1956, the amount of unclaimed dividend for the year ended 31 March 2005 has been partly transferred to the Investor Education and Protection Fund.
- vii. Pursuant to Section 205A and 205C of the Companies Act, 1956, any money transferred to the unpaid dividend account which remains unpaid or unclaimed for a period of 7 years from the date of such transfer is now required to be transferred to the Investor Education and Protection Fund set up by the Central Government. Accordingly, the unpaid/unclaimed dividend for the financial year 2004-2005 onwards will become transferable at the end of respective seven years to the said Fund. Once the amount is so transferred, no claim shall lie against the Fund or the Company in respect of dividend amount thereafter. Shareholders are requested to send their claims, if any, for the financial year 2004-05 onwards, before the amount becomes due for transfer to the above Fund. Shareholders are requested to encash the dividend demand drafts immediately on their receipt by them.
- viii. Members are requested to immediately notify the Registrar and Transfer Agents (Depository Participant, in case of shares held in demat form) of any change in their address.
- ix. In case members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries in writing at least 7 days in advance of the date of the meeting so that the information can be made available at the time of the meeting.
- x. Members may avail of the facility of dematerialisation by opening Depository accounts with the Depository Participants of either National Securities Depository Limited OR Central Depository Services (India) Limited and get the equity share certificates held by them dematerialised.
- xi. Members are requested to bring their attendance slip and copy of the annual report at the meeting.
- xii. Members are requested to register their e-mail addresses with the Company / Registrar and Share Transfer Agent in case of holding of shares in physical form and with concerned Depository Participants in case of shares held in dematerialised form.

**By Order of the Board of Directors**

**Place: Pune**  
**Date: 28<sup>th</sup> May 2013**

**Jayata Dashottar**  
**Company Secretary**

**(ANNEXURE TO THE NOTICE)**  
**EXPLANATORY STATEMENT**

As required by Section 173 of the Companies Act, 1956, and pursuant to Clause 49 of the Listing Agreement, the following Explanatory Statement sets out all material facts relating to Item Nos. 5, 6, 7 and 8 in the accompanying notice of Annual General Meeting of the Company to be held on 31<sup>st</sup> July 2013 at 11.30 am at the Registered Office of the Company at 211/A, MIDC, Butibori Industrial Area, Village Kinhi, Taluka Hingana, District Nagpur 441 122.

**ITEM NO. 5 OF THE NOTICE**

Pursuant to Article 108A of the Articles of Association of the Company, the Board of Directors on 10<sup>th</sup> November 2012 co-opted Mr. Madhav Chandrachud, as an Additional Director on the Board of the Company. Being an Additional Director, he holds the office upto the date of this Annual General Meeting.

As required by Section 257 of the Companies Act, 1956, the Company has received a notice along with deposit from a member proposing the candidature of Mr. Madhav Chandrachud for the office of Director of the Company.

He is not a Director in any other Company.

He does not hold any equity share in the Company.

Mr. Madhav Chandrachud is not related to any of the Director on the Board of the Company as per the provisions of Section 6 of the Companies Act, 1956.

The Board recommends the resolution as set out in item no. 5 for members' approval. None of the Directors except Mr. Madhav Chandrachud is in any way, concerned or interested in the said resolution.

**ITEM NO. 6 AND 7 OF THE NOTICE**

Pursuant to Article 110 of the Articles of Association of the Company, the Board of Directors on 8<sup>th</sup> January 2013 co-opted Mr. Pranav Deshpande as an Additional Director on the Board of the Company. Being an Additional Director, he holds office upto the date of this Annual General Meeting.

Further pursuant to Article 110 of the Articles of Association of the Company, The Board of Directors appointed Mr. Pranav Deshpande, who was serving the Company as Head Finance, as the Executive Director, for a period of 3 years commencing from 8<sup>th</sup> January 2013 subject to the approval of shareholders on the terms and conditions as set out in the Agreement to be entered between the Company and Mr. Pranav Deshpande. He shall draw remuneration only from the Company. The remuneration payable to Mr. Pranav Deshpande is stated in the resolution at item No. 7 of this Notice.

Mr. Pranav Deshpande, 32 years is a Financial Analyst and Masters in Management Sciences. He has been associated with the Kirloskar group since last 5 years. He has a strong background in Finance, Taxation, and Project Management and Strategy.

He has worked in Finance, Taxation, Costing, Process Control and System and Strategic Planning Departments within various business units in the group.

He is not a Director in any other Company.

He holds 40 equity shares in the Company.

Mr. Pranav Deshpande is not related to any of the Directors on the Board of the Company as per the provisions of Section 6 of the Companies Act, 1956.

The Board recommends the resolution as set out in Item No. 6 & 7 for members' approval. None of the Directors except Mr. Pranav Deshpande is in any way, concerned or interested in the said resolution.

As required by Section 257 of the Companies Act, 1956, the Company has received a notice along with deposit from a member proposing the candidature of Mr. Pranav Deshpande for the office of Director of the Company.

**ITEM NO. 8 OF THE NOTICE**

Article 111 of the Articles of Association of the Company requires certain Director on its board to hold Qualification Shares.

Considering qualification shares requirement might act as an impediment for new Directors to join the Board of the Company as shares are illiquid and not easily available in market and also considering the current spiralling stock market scenario, the Board has thought it desirable to remove the requirement of holding of qualification shares by a Director, which will facilitate the entry of professionals/ experts to the board.

## **G. G. DANDEKAR MACHINE WORKS LIMITED**

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And consequential changes in other two articles i.e. 108 & 108A by deleting the words that are supportive to the requirement of holding of qualification shares.

Your Directors recommend the Resolution at item no. 8 as Special Resolution.

The Directors may be deemed to be interested in the above resolution to the extent of the qualification shares held by them.

**By Order of the Board of Directors**

**Place: Pune**

**Date: 28<sup>th</sup> May 2013**

**Jayata Dashottar  
Company Secretary**

## Directors' Report

To The Members,

The Directors have pleasure in presenting the 74th Annual Report together with audited annual accounts of the Company for the Financial Year ended 31<sup>st</sup> March 2013.

### 1. Financial Performance:

(Amount in Rs.)

	Year ending March 31,	
	2013	2012
Sales (Net)	148,759,580	131,774,882
Other Income	4,438,983	5,778,918
Profit on Sale of Fixed Assets	0	(81,346)
Profit / (Loss) on Sale of Investments (Net)	0	3,496,476
Exceptional Items	70,315,343	(68,881,404)
Profit Before Tax	36,767,241	(88,914,471)
<b>Provision for Tax</b>		
Current Tax	6,927,000	0
Deferred Tax	(18,861,187)	(10,566,815)
Net Profit / (Loss) for the year	48,701,428	(78,347,656)
Profit brought forward from the previous year	129,498,551	207,846,207
Appropriations		
a) Proposed Dividend	0	0
b) Corporate Dividend Tax	0	0
c) Transfer to General Reserves	0	0
d) Balance carried to Balance Sheet	178,199,979	129,498,551

### 2. Dividend:

Your Directors do not recommend dividend for the year.

### 3. Management Discussion & Analysis

#### ECONOMIC OVERVIEW

##### Global Economy

As per The World Bank Global Economic Prospects, The overall global economic environment remains fragile and prone to further disappointment, although the balance of risks is now less skewed to the downside than it has been in recent years. Global growth is expected to come in at a relatively weak 2.4 percent in 2013 and gradually strengthen to 3.1 and 3.3 percent in 2014 and 2015 respectively.



Improved financial conditions and relaxation of monetary policy is projected to gradually raise developing-country growth to 5.5 percent in 2013, and to 5.7 and 5.8 percent in 2014 and 2015 respectively. Although the likelihood of a serious crisis of confidence in the Euro Area has declined significantly, if policy fails to maintain its reform momentum, some of the more vulnerable countries in the Euro Area could find themselves frozen out of capital markets, provoking a global slowdown that could potentially subtract 1.1 percent or more from developing country GDP.

For high-income countries, fiscal consolidation, high unemployment and very weak consumer and business confidence will continue and GDP is projected once again to expand at 1.3 percent.

### **Indian Economy**

The Reserve Bank of India has estimated the growth at 5.5 percent, much below to potential of 8 percent. The exports and imports amount to 43 percent of GDP and slowdown in world economy adversely affects the domestic growth. Even now, of the large countries of the world, only China and Indonesia are growing faster than India. And in 2013-14, if we grow at the rate projected by many forecasters, only China will grow faster than India.

Although government's effort to boost the growth by encouraging foreign investment that is consistent with the country's economic objectives, energy and infrastructure constraints together with political and security uncertainties have resulted in a fall in regional investment and industrial activity.

Though inflation rates eased in early 2013 due to interest rate hikes and slow economic growth, food inflation is still accelerating at a worrying pace due to inefficient storage and distribution facilities for farm produce, which lead to regular supply shortages.

### **Global Rice Market**

Food and Agriculture Organization of the United Nations (FAO) has set its forecast of global paddy production 2013 season to rise to 746.7 million tonnes (497.7 million tonnes, milled), 2.1 percent, some 16 million tonnes, more than in 2012.

FAO's latest forecast puts global trade in rice in 2013 at 37.0 million tonnes, 2 percent lower than the 2012 record of 37.8 million tonnes. The new forecast reflects downward revisions to falling imports by China, Iran, Philippines, Thailand, Vietnam, Nigeria, & Guinea. The exports, mainly by India, Vietnam, & Thailand are currently forecast to be very similar in 2013. Among the other major rice exporters, Australia, Cambodia, Egypt, Pakistan, and the United States should hold sufficient supplies to step-up their deliveries during the year, while current expectations point to further declines for Argentina, Brazil and Uruguay.

### **Indian Rice Mill Machinery Market**

Agricultural credit is the driver of agricultural production and the government has increased the target by 22 percent to Rs. 700,000 crore for 2013-14.

The margins for rice millers are going to stay thin due to Government increasing the Minimum Support Price (MSP) of paddy of common variety and grade 'A' variety by 15.74 percent and 15.32 percent respectively for 2013-14.

Growing markets like Bihar, Uttar Pradesh (U.P.) and Odisha are expected to contribute more towards rice mill modernization as compared to last year. Imports from China are expected to continue the steady growth they are experiencing from last few years. Opening up of exports would lead the millers to follow more stringent quality control measures in their rice mills with increased focus on cleaning section. Increasing importance of food safety, driven by establishment of Food Safety and Standards Act 2006, aimed to provide safe and wholesome foods to the consumers which will increase the demand for clean and safe rice processing machinery. The Food Corporation of India (FCI) is relaxing levy policies due to full utilization of current storage capacity is leading the millers to sell in open market for better realization, which would lead to modernization of machinery to match the quality demands of open market.

### **Risk & Concerns**

Risks of critical importance have been identified over a period of time. These risks are ranked on the basis of their impact on company's business and likelihood of their occurrence. A cross functional team takes stock of these risks and calls for necessary measures to mitigate the risks from the concerned risk owners. The risk owners then produce action plans for risk mitigation which is then evaluated by the team. New risks are added with the changes in economic and market scenarios and undergo the same process.

#### **Identified risks include:**

- Stagnating market growth;
- Shortage of funds delaying the projects;
- Steady growth of Chinese products contributed by both organized and un-organized rice mill manufacturers;
- Higher borrowing cost for millers affecting both profitability and cash flows.

**Customer Support**

The Company undertook various initiatives such as preventive maintenance service camps and customer training events for enhancing customer satisfaction and to improve organizational effectiveness for quick and effective resolution of customer issues. With the newly built facility at Butibori MIDC Nagpur, the Company will cater the demand for spares with improved market response.

**Research & Development**

Research & Development put focused efforts in replacing and revitalizing our old products. The Plan Sifter will be replacing the old Rotary Flat Sieve, which will improve the capacity and varied output in grading the rice. We have developed the first ever 1800 mm cone polishers for 8 tonne/hour rice mills. We have completed successful trial of the new 8 tonne/hour Vibro Cleaner and Vibro De-stoner.

**Financial Performance**

During the year under review, the Company achieved sales of Rs. 1,487 lacs as against Rs. 1,318 lacs in the previous year showing an increase of 12.82 percent.

The profit before tax is Rs. 368 lacs (including profit of Rs. 1,040 lacs on sale of land at Bhiwandi which was not in use for business operations) in 2012–13 against loss of Rs. 889 lacs (including VRS benefit of Rs. 689 lacs) in the previous year 2011–12.

**Adequacy of internal controls**

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and those transactions are authorised, recorded, and reported correctly.

The Company has an extensive system of internal controls which ensures optimal utilization and protection of resources, IT security, accurate reporting of financial transactions and compliance with applicable laws and regulation as also internal policies and procedures.

The Company has successfully implemented SAP/B1 financial and business management systems. These systems facilitate effective checks and controls as well as tight monitoring on a continuous basis.

The Company has appointed Independent Internal Auditors, who monitor and review all transactions independently to get higher level of efficiency and reports directly to the Audit Committee, which consists of a majority of independent directors, on quarterly basis. The Internal Auditors conduct audits in all key business areas per the audit plan. All significant audit observations and follow up actions are reported to the Audit Committee along with Internal Audit Reports. The minutes of Audit Committee are reviewed by the Board for its suggestions/recommendations to further improve the internal control systems.

The Audit Committee periodically reviews audit plans, observations, and recommendations of the Internal Auditors as well as External Auditors with reference to significant risk area and adequacy of internal controls.

**Human Resources**

The Company continues to place significant importance on its Human Resources and enjoys cordial relations at all levels.

The Company is focused on training and development of employees to increase their domain skills and expand their business acumen and overall personality.

The total number of employees as on 31st March 2013 was 45.

**Environment**

The Company has obtained certification of ISO 9001:2008, for the purpose of standardization. The Company takes due care in the selection and usage of appropriate material and methods in order to avoid violation of norms formulated to safeguard the environment.

**Note on Subsidiary**

The Company has sold its 100% stake in G.G. Dandekar Investments Pte. Ltd., Singapore to Casper Trading Ltd for Euros 1.027 million equivalent to Rs. 712 .77 Lacs.

**Forward Looking Statement**

The report comprises of forward-looking statements that reflect the Company's aspiration to grow, excel and rise above the threats it is facing in the current market. Terms like 'believe', 'will', 'projects', 'plans' or other analogous terms that not only acknowledge the projections about the future but also mention the product development, rise in market position, financial results and strategic growth of the Company, are forward-looking statements.

These statements are based on certain assumptions and expectations of future events that cannot be guaranteed to be accurate or to be realized by the Company as the actual results may vary from those projected in these statements. The Company assumes no

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responsibility to publicly amend, modify, or revise any forward looking statements, on the basis of any subsequent developments, information, or events.

### **4. Directors**

Mr. Jeetendra Shende resigned from the post of an Executive Director and Director with effect from 8th January 2013 and Mr. Pranav Deshpande has been co-opted as an Additional Director by the Board of Directors of the Company with effect from 8th January 2013 and holds office of Director up to the date of this Annual General Meeting.

Mr. Atul Kirloskar and Mr. Nihal Kulkarni retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Madhav Chandrachud, has been co-opted as an Additional Director by the Board of Directors of the Company with effect from 10th November 2012 and he holds office of Director up to the date of this Annual General Meeting.

The brief resumes and other details relating to the Directors who are proposed to be appointed/re-appointed, as required to be disclosed under Clause 49 of the Listing Agreement, form part of the Report on Corporate Governance.

### **5. Auditors**

M/s Joshi & Kulkarni, Chartered Accountants, Statutory Auditors (Firm Registration No. 115751 W) of the Company, retire at the ensuing Annual General Meeting, and are eligible for re-appointment. The requisite certificate as per Section 224(1B) of the Companies Act, 1956 has been received by the Company. The Audit Committee has recommended their re-appointment.

### **6. Corporate Governance**

A report on the Corporate Governance, along with the certificate of compliance from the Practicing Company Secretary, forms part of this report.

### **7. SEBI Regulations & Listing Fees**

The annual listing fee for the year under review has been paid to BSE Limited, where your Company's share is listed.

### **8. Fixed Deposits**

Your Company has not accepted any public deposits during the year.

### **9. Directors' Responsibility Statement**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors state:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- That the Directors had 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; and
- That the Directors have prepared the annual accounts on a going concern basis.

### **10. Statutory Disclosures**

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 217(1)(e) of the Companies Act, 1956 read with the rules there under is given in Annexure A forming part of this report.

As required under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, a statement giving the required information relating to the employees covered there under is given in Annexure B forming part of this report.

**11. Acknowledgments**

Your Directors would like to place on record their appreciation of the contribution made and support provided to the Company by the shareholders, employees, bankers, suppliers and customers during the period under report.

For and on behalf of the Board of Directors

Date: 28<sup>th</sup> May 2013  
Place: Pune

Nihal Kulkarni  
Vice Chairman  
(Chairman of the meeting)

**Annexure A****A. CONSERVATION OF ENERGY:**

(i) Power & Fuel consumption: Form A (rule 2)

Particulars	Current Year 2012-13	Previous Year 2011-12
<b>ELECTRICITY:</b>		
I. Purchased units	2,85,014	2,26,507
Total Amount	25,71,521	17,82,096
Rate / Unit (Rs.)	9.02	7.86
II. Own Generation		
Through Diesel Generation	1,248	3,232
Unit / litre of Diesel	2.30	2.33
Cost / Unit	28.15	18.69
III. Total Energy Consumption:		
Units	2,86,262	2,29,739
Cost / Unit (Rs.)	9.07	8.04

**B. TECHNOLOGY ABSORPTION:**

Efforts made in the technology absorption as per form B	During the last five years, no technology has been imported by way of collaboration or otherwise for the existing products of the Company
Benefits derived as a result of the above efforts	

**Research & Development:**

1. Shining machine: Shining Machine is used to obtain high degree of smoothness and shine. It is made from stainless steel non corrosive polishing roll and screw feeder. A special arrangement with water dozing pump and water control system is provided. Due to its unique construction it generates very less broken. The design is very compact. It has specially designed stainless steel harden screen. This machine is suitable for raw and boiled rice.
2. Plan Sifter: Plan Sifter mainly used for gradation of rice and broken. In this machine sieving is done with rotary motion. Better sieving is achieved by provision of rubber balls. This machine is used for raw and boiled rice. it is available in 4 and 5 decks depends on the quality of paddy.
3. Vibro Cleaner: Vibro cleaner is specially designed for effective cleaning of all type of Paddy as well as Wheat, Barley, Corn, Soyabean, Peas, Various Pulses, Seeds, Cereals, Green Coffee and all granulated products. Two airlocks with motor are provided to collect immature, chaff, dead grains and waste separately. This helps rice millers in increasing yield as well as improving the quality of final product. This machine ensures higher cleaning efficiency than all other cleaners. The machine has a fully enclosed body for dust proof operation with shock absorber.

## **G. G. DANDEKAR MACHINE WORKS LIMITED**

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### **C. FOREIGN EXCHANGE EARNING & OUTGO:**

- 1. Foreign Exchange Earnings (FOB): NIL**
- 2. Foreign Exchange outgo: NIL**

#### **Annexure B**

Since the Company does not have any employee who is drawing salary as specified in section 217(2A) of the Companies Act, 1956, read with the Companies (Particular of Employees), Rules, 1975 as amended by Companies (Particular of Employees), amendment Rules, 2011, i.e. Rs. 60,00,000 per annum for those who are employed throughout the financial year or Rs. 5,00,000 per month for those who are employed for the part of the financial year, the disclosure is not required to be made.

**For and on behalf of the Board of Directors**

**Date: 28<sup>th</sup> May 2013**

**Place: Pune**

**Nihal Kulkarni**  
**Vice Chairman**  
**(Chairman of the meeting)**

## FORM A

**Pursuant to clause 31 of the Listing Agreement**  
**Covering letter of the Annual Audit Report to be filed with the Stock Exchanges**  
**(SEBI Circular No. CIR/CFD/DIL/7/2012, dated 13 August 2012)**

1	Name of the Company	<b>G. G. Dandekar Machine Works Ltd.</b>
2	Annual financial statements for the year ended	<b>31 March 2013</b>
3	Type of Audit observation	<b>Unqualified</b>
4	Frequency of observation	<b>Not Applicable</b>

For Joshi & Kulkarni  
Chartered Accountants  
[Firm Regn. No. 115751W]

For G. G. Dandekar Machine Works Ltd.

Shantanu Ghanekar  
Partner  
M. No.102133

Pranav Deshpande  
Executive Director

Dattatraya Swar  
Chairman-Audit Committee

Pankaj Parkhi  
Sr. Manager-Finance

Place: Pune  
Date: 28.05.2013

## **G. G. DANDEKAR MACHINE WORKS LIMITED**

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### **COMPLIANCE CERTIFICATE**

**Company Identification Number:** L99999MH1938PLC002869

**Authorized Capital:** Rupees. 20,000,000/-

**Issued, Subscribed & Paid up Capital:** Rupees. 4,761,387/-

**Company No.: 11 - 2869**

To,

The Members

G. G. Dandekar Machine Works Limited

211/A, MIDC, Butibori Industrial Area

Village Kinhi, Tal, Hingana

Dist. Nagpur (M.H.) - 441 122.

We have examined the registers, records, books and papers of **G. G. DANDEKAR MACHINE WORKS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March 2013. 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 there under and all entries therein have been recorded.
2. The company has filed the forms and returns, as stated in Annexure 'B' to this certificate with the Registrar of Companies prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company, comments are not required.  
However in any case Company during the year ended 31<sup>st</sup> March 2013:
  - a. has not invited public to subscribe for its shares or debentures; and
  - b. has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met 7 (seven) times on 11<sup>th</sup> May 2012, 10<sup>th</sup> August 2012, 28<sup>th</sup> September 2012, 10<sup>th</sup> November 2012, 8<sup>th</sup> January 2013, 31<sup>st</sup> January 2013 and 20<sup>th</sup> March 2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolution was passed during the year ended 31<sup>st</sup> March 2013.
5. The company has closed its Register of Members from 25<sup>th</sup> September, 2012 to 28<sup>th</sup> September, 2012 during the financial year ended 31<sup>st</sup> March 2013 after complying with the provisions of Section 154 of the Act.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2012 was held on 28<sup>th</sup> September 2012 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 Extra Ordinary General Meeting was held during the financial year ended 31<sup>st</sup> March 2013.
8. The company has not advanced any loans to the Directors and / or firms or companies referred in the Section 295 of the Act during the financial year ended 31<sup>st</sup> March 2013.
9. The company has not entered into any fresh contracts as specified under section 297 of the Act during the financial year ended 31<sup>st</sup> March 2013.
10. The company has made necessary entry in the register maintained as per provisions of Section 301 of the Act.
11. As there were no instances falling within purview of Section 314 of the Act during the financial year ended 31<sup>st</sup> March 2013, the company has not obtained any approvals from the Board of Directors, Members or Central Government as the case may be.
12. The Board of Directors has approved the issue of duplicate share certificates during the financial ended on 31<sup>st</sup> March 2013.
13. The Company has:
  - a) Has not made any allotment of securities. It has delivered all the certificates on lodgment thereof for transfer and transmission of shares in accordance with the provisions of the Act during the financial year 2012-13.
  - b) Was not required to deposit any amount of dividend in a separate Bank account as it did not declare any dividend during the Financial Year.

- c) Was not required to Pay dividends by way of issuing Demand Drafts to all the members within a period of 30 (Thirty) days from the date of declarations as it did not declare any dividend during the Financial Year..
  - d) Partly transferred the amounts in unpaid Dividend Account which have remained unclaimed, unpaid for a period of seven years to Investors Education and Protection Fund.
  - e) Duly complied with the requirements of Section 217 of the Act.
- 14 The Board of Directors of the Company is duly constituted and appointment of additional directors during the financial year ended 31<sup>st</sup> March 2013 has been duly made.
  - 15 The appointment of Executive Director has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act and no approval was required to be obtained from the Central Government with reference to his appointment.
  - 16 The company has not appointed any sole selling agents during the financial year ended on 31<sup>st</sup> March 2013.
  - 17 The company has obtained deemed approval of the Central Government for appointment of Cost Auditor. Further, the company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the 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 there under.
  - 19 The company has not issued any Equity Shares / Debentures or other securities during the financial year ended on 31<sup>st</sup> March 2013.
  - 20 The company has not bought back any shares during the financial year ending 31<sup>st</sup> March 2013.
  - 21 The company does not have preference share capital therefore there is no redemption and has not issued debentures.
  - 22 There were no transactions necessitating the company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
  - 23 The company has not invited or accepted any deposit including any unsecured loans falling within the purview of Section 58A during the financial year ended on 31<sup>st</sup> March 2013.
  - 24 The Company has not made any borrowing during the financial year ending 31<sup>st</sup> March 2013.
  - 25 The Company has not made investments, any loans or advances or given guarantees or provided securities to other bodies corporate during the year ended on 31<sup>st</sup> March 2013.
  - 26 The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year ended on 31<sup>st</sup> March 2013.
  - 27 The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year ended on 31<sup>st</sup> March 2013.
  - 28 The company has not altered the provisions of the Memorandum with respect to name of the company during the year ended on 31<sup>st</sup> March 2013.
  - 29 The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year ended on 31<sup>st</sup> March 2013.
  - 30 The Company has not altered the provisions of Articles of Association during the year ended on 31<sup>st</sup> March 2013.
  - 31 There were no prosecutions 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 employees during the financial year ended on 31<sup>st</sup> March 2013.
  - 33 The company has deposited both the employee's and employer's contribution to Provident Fund with the prescribed authorities pursuant to section 418 of the Act. Contribution for the month of April, 2012 and June, 2012 was deposited on 26.05.2013 (for Bhiwandi) & 29.05.2013 (for Nagpur) and 20.07.2012 (for Bhiwandi) & 27.07.2012 (for Nagpur) respectively.

**KANJ & ASSOCIATES**  
**COMPANY SECRETARIES**

**DATE: 28.05.2013**  
**PLACE: PUNE**

**MAHESH A. ATHAVALE**  
**PARTNER**  
**CP NO.: 1488**



## G. G. DANDEKAR MACHINE WORKS LIMITED

### COMPLIANCE CERTIFICATE G. G. DANDEKAR MACHINE WORKS LIMITED

#### Annexure A

Statutory Registers as maintained by the Company during the financial year ended 31<sup>st</sup> March 2013

Sr. No.	Name of the Register	Section
1	Register of Members	150
2	Register of Charges	143
3	Minute book for General Meetings & Board Meetings.	193
4	Books of Accounts	209
5	Register of particulars of contracts in which Directors are interested	301
6	Register of Director, Managing Director, Manager, Secretary.	303
7	Register of Director's Shareholdings	307
8	Register of Investments	372A
9	Transfer Register	108
10	Register of Duplicate Share Certificates	113
11	Register of Proxies	176
12	Register of Director's Attendance	—

#### Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on 31<sup>st</sup> March, 2013

Sr. No.	Particulars of Form	Section No.	Purpose of Filing	Date of Filing & SRN
1	Form 17	138	Satisfaction of Charge	24/07/2012 B44001972
2	Form 23C	233B	Application to the Central Government for appointment of cost auditor	23/08/2012 S13850151
3	Form 66	383A	Submission of compliance certificate with the Registrar	16/10/2012 P90562778
4	Form 20B	159	Annual Return	27/11/2012 Q03033107
5	Form 32	303	Appointment of director	04/12/2012 B63085757
6	Form 32	303	Appointment of director, and the changes among them	14/02/2013 B67903575
7	Form 23AC & 23ACA (XBRL)	220	Annual Filing	13.12.2013 Q04295440

**KANJ & ASSOCIATES  
COMPANY SECRETARIES**

**DATE: 28.05.2013  
PLACE: PUNE**

**MAHESH A. ATHAVALE  
PARTNER  
CP NO.: 1488**

## Report on Corporate Governance

(Pursuant to clause 49 of the Listing Agreement)

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is to conduct its affairs in a manner, which is ethical and transparent with all stakeholders in the Company, including shareholders, lenders, creditors, and employees. To this end, the Company's philosophy on Corporate Governance is to Endeavour to ensure:

- That systems and procedures which monitor compliance with laws, rules, and regulations are in place in each area of its business.
- That relevant information regarding the Company and its operation is disclosed, disseminated and easily available to its stakeholders.

Your Company's policy is aimed at adhering to all the laws, rules, regulations meant for Corporate Governance at all times and have the best management team that can also effectively monitor corporate decisions for sustained growth.

### 2. BOARD OF DIRECTORS

#### a. Composition of the Board

The strength of the Board was seven Directors as on 31st March 2013, comprising of one Executive Director and six Non-Executive Directors, including Chairman. The Non-Executive Directors constituted more than one third of the total number of Directors. Four out of seven Directors were independent directors, which duly complies with the requirement of Clause 49 (I) (A) of the Listing Agreement.

#### b. Number of Board Meetings

The Board met 7 times during the financial year 2012-13 on 11th May 2012, 10th August 2012, 28th September 2012, 10th November 2012, 8th January 2013, 31st January 2013, and 20th March 2013. The gap between two board meetings did not exceed four months.

#### c. Board Procedure

Board members are provided appropriate documents and information under Annexure IA to Clause 49 pertaining to the matters to be considered at each board and committee meetings, to enable the Board to discharge its responsibilities effectively.

Among others, the information supplied to the Board includes:

- review of Annual operating plans of business, capital budgets, updates;
- quarterly results of the Company and its operating divisions or business segments;
- minutes of meetings of audit committee and other committees;
- the information on recruitment and remuneration to senior officers just below the Board level;
- materially important show cause, demand, prosecution and penalty notices;
- fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- any material relevant default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- any issue, which involves possible public or product liability claims of substantial nature;
- details of any joint venture or collaboration agreement;
- transactions that involve substantial payment towards goodwill, brand equity, or intellectual rights;
- significant labour problems and their proposed solutions;
- significant development in human resources and industrial relation fronts;
- sale of material nature, of investments and assets, which is not in the normal course of business;
- non-compliance of any regulatory, statutory provision or listing requirements as well as shareholders service such as non-payment of dividend and delay in share transfer.

## G. G. DANDEKAR MACHINE WORKS LIMITED

### d. Directorships held by the Directors in other Companies and their attendance record

The information on composition of the Board as on 31st March 2013, category of directors, attendance at Board meetings held during the financial year and at the last Annual General Meeting, Directorships in other public companies and Committees of other public companies of which the director is a Member / Chairman is as under:

Sr. No.	Name of Director	No. of Shares held by Non Executive Directors	No. of Directorships held in other Public Ltd Co.	No. of Committee positions held in other Public Ltd Co.		Attendance at the Meetings	
				+C	#M	Board	AGM
<b>Executive Directors</b>							
1	Mr. Pranav Deshpande**	N.A.	NIL	-	-	3	N.A.
2	Mr. Jeetendra Shende*	N.A.	NIL	-	-	5	Present
<b>Non Executive Directors</b>							
3	Mr. Atul Kirloskar @	8,35,190	8	1	1	4	Present
4	Mr. Nihal Kulkarni @	NIL	3	1	3	7	Present
<b>Independent &amp; Non Executive Directors</b>							
5	Mr. Dattatraya Swar	NIL	3	-	2	3	Present
6	Ms. Aditi Chirmule	NIL	2	-	1	7	Present
7	Mr. Vinod Sethi	NIL	10	1	8	NIL	Absent
8	Mr. Madhav Chandrachud	NIL	NIL	-	-	4	N.A.

#### Abbreviations:

+C : Chairman

#M : Member

@ : Deemed as Promoters within the meaning of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

\* Mr. Jeetendra Shende has resigned from the post of Executive Director and Director with effect from 8<sup>th</sup> January 2013

\*\* Mr. Pranav Deshpande has been appointed as an Executive Director with effect from 8<sup>th</sup> January 2013

None of the Directors is related to any other Director of the Company within the meaning of Section 6 of the Companies Act, 1956.

### 3. AUDIT COMMITTEE

The terms of reference of the Audit committee include the matters specified under Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited as well as those in Section 292A of the Companies Act, 1956 and inter-alia includes the following:

- Oversee the Company's financial reporting process and disclosures of financial information to ensure that the financial statement is sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
- Review internal audit function as regards its adequacy, scope, frequency, and review of the reports etc.
- Discussion with the Internal Auditors of any significant findings and follow up thereon.
- Reviewing the annual financial statements before submission to the Board.
- Review Auditor's report, internal controls, and recommendations relating thereto.
- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.

The composition of audit committee is in compliance with the requirements of Clause 49(II)(A) of the listing agreement. It consists of four members, three of whom including the Chairman are independent directors. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company. The Executive Director, Head-Finance, representatives of the Statutory and Internal Auditors of the Company are invited to attend the meetings of the audit committee from time to time. The Company Secretary of the Company acts as the secretary to the Audit Committee.

During the year under review, 4 meetings of the Committee were held on 11<sup>th</sup> May 2012, 10<sup>th</sup> August 2012, 10<sup>th</sup> November 2012, and 31<sup>st</sup> January 2013. The composition of the Committee and attendance at its meetings is given below:

Sr. No.	Name of the member Director	No. of meetings attended
1	Mr. Dattatraya Swar - Chairman	2
2	Ms. Aditi Chirmule	4
3	Mr. Nihal Kulkarni	4
4	Mr. Vinod Sethi	Nil
5	Mr. Madhav Chandrachud	2

#### 4. REMUNERATION TO DIRECTORS

The Remuneration Committee was constituted in the year 2011. It comprised of four Directors- Mr. Dattatraya Swar, Ms. Aditi Chirmule, Mr. Madhav Chandrachud and Mr. Vinod Sethi.

During the year Remuneration Committee meeting was held on 8<sup>th</sup> January 2013. Attendance at Remuneration Committee Meeting:

Sr. No.	Name of the member Director	No. of meetings attended
1	Mr. Dattatraya Swar - Chairman	Nil
2	Ms. Aditi Chirmule	1
3	Mr. Vinod Sethi	Nil
4	Mr. Madhav Chandrachud	1

The payments made to Executive Director have been reviewed by the Remuneration Committee from time to time and confirmed by the Board of Directors.

The Non-Executive Directors (NEDs) are paid remuneration by way of Commission and Sitting Fees. In terms of the shareholders' approval obtained at the AGM held on 30<sup>th</sup> July 2009, the Commission is paid at a rate not exceeding 1% per annum of the profits of the Company (computed in accordance with Section 309(5) of the Companies Act, 1956). The distribution of Commission amongst the NEDs is placed before the Board. The Commission is distributed on the basis of their attendance and contribution at the Board and certain Committee Meetings as well as time spent on operational matters other than at the meetings. However, due to operating loss for the financial year 2012-13, no commission will be paid to any Director including Non-executive Directors for the year ended 31<sup>st</sup> March 2013.

The sitting fee of Rs. 5,000/- per meeting of the Board and any Committee thereof, attended by the Non-Executive Directors is payable to them.

There are no pecuniary relationships or transactions of the Non-executive Directors vis-a-vis the Company.

All elements of remuneration package for all directors have been provided in the statement hereinafter.

Except whatever is stated in the statement, there is no other fixed component or performance linked incentives to any director.

The details of the remuneration of the Directors.

#### Remuneration of the Directors during the year 2012-13

Directors	Salary (₹)	Perquisites (₹)	Allowances (₹)	Commission (₹)	Sitting Fees (₹)	Total (₹)
Mr. Atul Kirloskar	Nil	Nil	Nil	Nil	20,000	20,000
Mr. Nihal Kulkarni	Nil	Nil	Nil	Nil	65,000	65,000
Mr. Jeetendra Shende*	922,581	369,032	876,452	Nil	Nil	2,168,065
Mr. Dattatraya Swar	Nil	Nil	Nil	Nil	25,000	25,000
Ms. Aditi Chirmule	Nil	Nil	Nil	Nil	70,000	70,000
Mr. Vinod Sethi	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Pranav Deshpande**	114,920	13,790	226,039	Nil	Nil	354,749
Mr. Madhav Chandrachud	Nil	Nil	Nil	Nil	35,000	35,000
<b>Total</b>	<b>1,037,501</b>	<b>382,822</b>	<b>1,102,491</b>	<b>Nil</b>	<b>215,000</b>	<b>2,737,814</b>

Notes: Salary = Basic salary only.

## G. G. DANDEKAR MACHINE WORKS LIMITED

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\* Mr. Jeetendra Shende has resigned from the post of Executive Director and Director with effect from 8<sup>th</sup> January 2013.

\*\* Mr. Pranav Deshpande has been appointed as an Executive Director with effect from 8<sup>th</sup> January 2013.

Perquisites of Mr. Jeetendra Shende include reimbursement of hospitalization expenses for self and family at actuals, leave travel assistance for self and family, not exceeding Rs. 13,000 per month, contributions to provident fund and superannuation fund, provision for gratuity and leave encashment, perquisite value as per Income-tax Rules is applicable.

Perquisites of Mr. Pranav Deshpande include contributions to provident fund and provision for gratuity, perquisite value as per Income-tax Rules is applicable.

The Company does not have a scheme for grant of stock options.

### 5. INVESTORS / SHAREHOLDERS GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee of the Board has been constituted to look into complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of dividend etc., and redressal thereof. The Committee is headed by Ms. Aditi Chirmule (Non Executive Director) as Chairperson and other members of the Committee are Mr. Nihal Kulkarni, Mr. Jeetendra Shende (upto 8 January 2013) and Mr. Pranav Deshpande (with effect from 8 January 2013).

During the year under report, two meetings of this committee were held on 10<sup>th</sup> November 2012 and 31<sup>st</sup> January 2013.

Attendance at Share Transfer cum Shareholders Grievance Committee Meetings:

Sr. No.	Name of the member Director	No. of meetings attended
1	Ms. Aditi Chirmule	2
2	Mr. Nihal Kulkarni	2
3	Mr. Jeetendra Shende*	1
4	Mr. Pranav Deshpande**	1

Note:

\* Mr. Jeetendra Shende resigned from the post of Executive Director and Director with effect from 8<sup>th</sup> January 2013

\*\* Mr. Pranav Deshpande has been appointed as an Executive Director with effect from 8<sup>th</sup> January 2013

Mr. Jeetendra Shende, Executive Director (upto 8<sup>th</sup> January 2013), Mr. Pranav Deshpande, Executive Director (with effect from 8<sup>th</sup> January 2013) jointly with Ms. Jayata Dashottar, Company Secretary are the Compliance Officers. The Compliance Officers can be contacted at:

G. G. Dandekar Machine Works Limited

211/A, MIDC, Butibori Industrial Area,

Nagpur – 441 122

Tel No: (7104) 667300

Fax: (7104) 667302

E-mail: pranav.deshpande@ggdandekar.com / jayata.dashottar@ggdandekar.com

#### Separate email-id for redressal of investors' complaints

As per Clause 47(f) of the listing agreement with stock exchanges, the Company has designated a separate email id ([ir@ggdandekar.com](mailto:ir@ggdandekar.com)) exclusively for redressal of investors' complaints.

The total number of complaints received and replied to the satisfaction of the shareholders during the year ended 31<sup>st</sup> March 2013 were Two (2) and there were no complaints outstanding as on 31<sup>st</sup> March 2013.

The Company had no share transfer requests pending as on 31<sup>st</sup> March 2013.

## 6. GENERAL BODY MEETINGS

Previous General Meetings of the shareholders of the Company were held as under:

Financial Year	Status	Date	Time
2009-2010*	AGM	12 <sup>th</sup> August 2010	2.30 p.m.
2010-2011**	AGM	28 <sup>th</sup> September 2011	11.00 a.m.
2011-2012	AGM	28 <sup>th</sup> September 2012	11.00 a.m.

In the previous General Meetings, Special Resolutions were passed by shareholders in respect of the following matters:

- \* Restructure of the remuneration of Mr. Jeetendra Shende, Executive Director considering his invaluable contribution to the Company.
- \*\* Waiver Application to the Central Government for the recovery of excess remuneration paid to Mr. Jeetendra Shende in the financial year 2010-2011.
- \*\* Restructure of the remuneration of Mr. Jeetendra Shende, Executive Director considering his invaluable contribution to the Company.

All the three Annual General Meetings were held at the Registered Office of the Company.

Ordinary Resolution for the shifting of registered office of the Company from Bhiwandi to Nagpur passed at the Annual General Meeting held on 28<sup>th</sup> September 2011 was put through postal ballot.

## 7. DISCLOSURES

- a) During the financial year under review, there were no materially significant related party transactions made by the Company with its Promoters, Directors, Management, or Subsidiary that may have potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in Note no. C-8 of the Accounts in the Annual Report.
- b) There have been no instances of non-compliance by the Company on any matters related to capital markets, during the last three years. Neither penalties have been imposed nor any strictures imposed on the Company by the Stock Exchanges, The Securities and Exchange Board of India (SEBI) or any such statutory authority, on any matter related to capital markets.
- c) The Company does not have a format Whistle Blower Policy. However, any employee, if he or she so desires, would not be denied access to the Audit Committee.
- d) Disclosure under Clause 5A II of the Listing Agreement in respect of unclaimed shares:

The Securities and Exchange Board of India (SEBI) vide its circular no. CIR/CFD/DIL/10/2010 dated 16<sup>th</sup> December 2010, inserted new Clause 5A II containing uniform procedure for dealing with unclaimed shares.

Pursuant to the same Clause, the Company had first sent reminder on 25<sup>th</sup> March 2011 to all those shareholders, whose shares remained unclaimed with the Company, requesting them to forward correct addresses to avoid transfer of such unclaimed shares to the "Unclaimed Suspense Account."

The Company had sent second reminder letter on 25<sup>th</sup> May 2011 to such shareholders, whose share certificates were in undelivered form and hence remained unclaimed, after sending first reminder, by requesting them to update correct details viz. Postal address, PAN details etc., registered with the Company in order to avoid transfer of such unclaimed shares to the "Unclaimed Suspense Account."

The Company will be sending the third reminder letter in due course. As on 31<sup>st</sup> March 2013, the total unclaimed equity shares were 31,230.

- e) As per Central Government Order (F. No. 52/26/CAB-2010), dated 2<sup>nd</sup> May 2011, Cost Accounting Record Rules are applicable to the Company with effect from 1<sup>st</sup> April 2011.

With reference to the General Circular No. 15/2011 – 52/5/CAB-2011 dated 11<sup>th</sup> April 2011 issued by the Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi; following are the details of Cost Auditor:

### Particulars of the Cost Auditor:

M/s. Harshad Deshpande & Associates  
1254 Sadashiv Peth, 'Sadbhav Sadanika',  
Nr. Nimbalkar Talim, Pune 411 030.

- f) The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement. The extent of adoption of non-mandatory requirements are as follows:

1. Shareholder Rights:

## G. G. DANDEKAR MACHINE WORKS LIMITED

Since Company publishes its quarterly results in newspapers (English and Marathi) having wide circulation, and since the results are also displayed on the website of the Company and the Bombay Stock Exchange Ltd., the Company does not send any declaration of the half yearly performance to the shareholders.

### 2. Audit Qualification:

There are no qualifications on Financial Statements of the Company for the year ended 31<sup>st</sup> March 2013.

## 8. PARTICULARS OF RE-APPOINTMENT OF DIRECTORS

### I. Mr. Atul Kirloskar

Mr. Atul Kirloskar, Graduate in Engineering from Worcester Institute of Technology, USA is a Chairman of Kirloskar Oil Engines Limited, Kirloskar Industries Limited, Kirloskar Ferrous Industries Limited, and Kirloskar Brothers Investments Limited. He began his career with the erstwhile Kirloskar Cummins Limited in the year 1978, where he started out as a trainee. He was appointed on the Board of the Company on 22<sup>nd</sup> May 1992 as Chairman.

Mr. Atul Kirloskar is a Director in the following other Companies:

Sr. No.	Name of the Company	Committee Positions
1	Five Stars Bulkcarriers Limited	-
2	Green Tek Systems (India) Limited	Audit Committee - Member
3	Kirloskar Brothers Investments Limited	-
4	Kirloskar Ferrous Industries Limited	Finance Committee – Chairman, Share Transfer cum Shareholders / Investors Grievance Committee - Chairman
5	Kirloskar Industries Limited	-
6	Kirloskar Oil Engines Limited	-
7	Kirloskar Pneumatic Company Limited	-
8	Kirloskar Proprietary Limited	Remuneration Committee - Member
9	Asara Sales & Investments Private Limited	-
10	Navsai Investments Private Limited	-
11	Toyota Kirloskar Motor Private Limited	-
12	Kirloskar Kenya Limited, Nairobi, Kenya	-
13	Kairi Investments LLC, USA	-

He is a member of the World Economic Forum. Mr. Kirloskar served as President of MCCIA from Sept. 2002 to Sept. 2004, and is Chairman of CII National Committee of Defence since 2000.

Mr. Atul Kirloskar holds 8,35,190 (17.54%) equity shares in the Company.

Mr. Atul Kirloskar is not related to any of the Directors on the Board of the Company as per the provisions of Section 6 of the Companies Act, 1956.

No Director other than Mr. Atul Kirloskar is concerned or interested in the above item.

### II. Mr. Nihal Kulkarni

Mr. Nihal Kulkarni, A.B. in Economics from Brown University, has over six years of experience in the areas of finance and investments. He has undergone extensive training with the Kirloskar Group, Toyota Motor Sales, USA and DSP Merrill Lynch.

Mr. Nihal Kulkarni is a Director in the following other Companies:

Sr. No.	Name of the Company	Committee Positions
1.	Kirloskar Brothers Investments Limited	Audit Committee – Member Investment Committee – Member
2.	Kirloskar Industries Limited	Audit Committee – Member
3.	Kirloskar Oil Engines Limited	-

He does not hold any equity shares in the Company.

Mr. Nihal Kulkarni is not related to any of the Directors on the Board of the Company as per the provisions of Section 6 of the Companies Act, 1956.

No Director other than Mr. Nihal Kulkarni is concerned or interested in the above item.

### III. Mr. Madhav Chandrachud

Pursuant to Article 108A of the Articles of Association of the Company, the Board of Directors on 10<sup>th</sup> November 2012 co-opted Mr. Madhav Chandrachud, as an Additional Director on the Board of the Company. Being an Additional Director, he holds the office upto the date of this Annual General Meeting.

As required by Section 257 of the Companies Act, 1956, the Company has received a notice along with deposit from a member proposing the candidature of Mr. Madhav Chandrachud for the office of Director of the Company.

He is not a Director in any other Company.

He does not hold any equity share in the Company.

Mr. Madhav Chandrachud is not related to any of the Director on the Board of the Company as per the provisions of Section 6 of the Companies Act, 1956.

None of the Directors except Mr. Madhav Chandrachud is in any way, concerned or interested in the said resolution.

### IV. Mr. Pranav Deshpande

Pursuant to Article 110 of the Articles of Association of the Company, the Board of Directors on 8<sup>th</sup> January 2013 co-opted Mr. Pranav Deshpande as an Additional Director on the Board of the Company. Being an Additional Director, he holds office upto the date of this Annual General Meeting.

The Board of Directors appointed Mr. Pranav Deshpande, who was serving the Company as Head Finance, as the Executive Director, for a period of 3 years commencing from 8<sup>th</sup> January 2013 subject to the approval of shareholders on the terms and conditions as set out in the Agreement to be entered between the Company and Mr. Pranav Deshpande. He shall draw remuneration only from the Company. The remuneration payable to Mr. Pranav Deshpande is stated in the resolution at item No. 6 of this Notice.

Mr. Pranav Deshpande, 32 yrs is a Financial Analyst and Masters in Management Sciences. He has been associated with the Kirloskar group since last 5 years. He has a strong background in Finance, Taxation, and Project Management & Strategy.

He has worked in Finance, Taxation, Costing, Process Control and System and Strategic Planning Departments within various business units in the group.

He is not a Director in any other Company.

He holds 40 equity shares in the Company.

Mr. Pranav Deshpande is not related to any of the Directors on the Board of the Company as per provisions of Section 6 of the Companies Act, 1956.

None of the Directors except Mr. Pranav Deshpande is in any way, concerned or interested in the said resolution.

As required by Section 257 of the Companies Act, 1956, the Company has received a notice along with deposit from a member proposing the candidature of Mr. Pranav Deshpande for the office of Director of the Company.

## 9. MEANS OF COMMUNICATION

- The Quarterly and Half Yearly results are published in national and local dailies such as Financial Express and Free Press Journal in English and Navashakti in Marathi. Since the results of the Company are published in the newspapers, half yearly reports are not sent individually to the shareholders.
- The quarterly/half-yearly un-audited financial results, quarterly shareholding pattern and Corporate Governance Report are displayed on the Company's website namely [www.ggdandekar.com](http://www.ggdandekar.com)
- The Management Discussion and Analysis (MDA) Report forms part of the Annual Report.



## G. G. DANDEKAR MACHINE WORKS LIMITED

### 10. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	
Date and Time	31 <sup>st</sup> July 2013 at 11.30 AM
Venue	Registered office of the Company at: 211/A, MIDC, Butibori Industrial Area, Nagpur – 441 122
Financial Calendar	1 <sup>st</sup> April 2012 to 31 <sup>st</sup> March 2013 During the year the results were announced as under: First quarter: on 10 <sup>th</sup> August 2012 Second quarter: on 10 <sup>th</sup> November 2012 Third quarter: on 31 <sup>st</sup> January 2013 Fourth quarter: on 28 <sup>th</sup> May 2013
Date of Book Closure	27 <sup>th</sup> July 2013 to 31 <sup>st</sup> July 2013
Listing on stock exchanges (Stock Code)	The Company's shares are listed on: BSE Limited, Mumbai (505250)

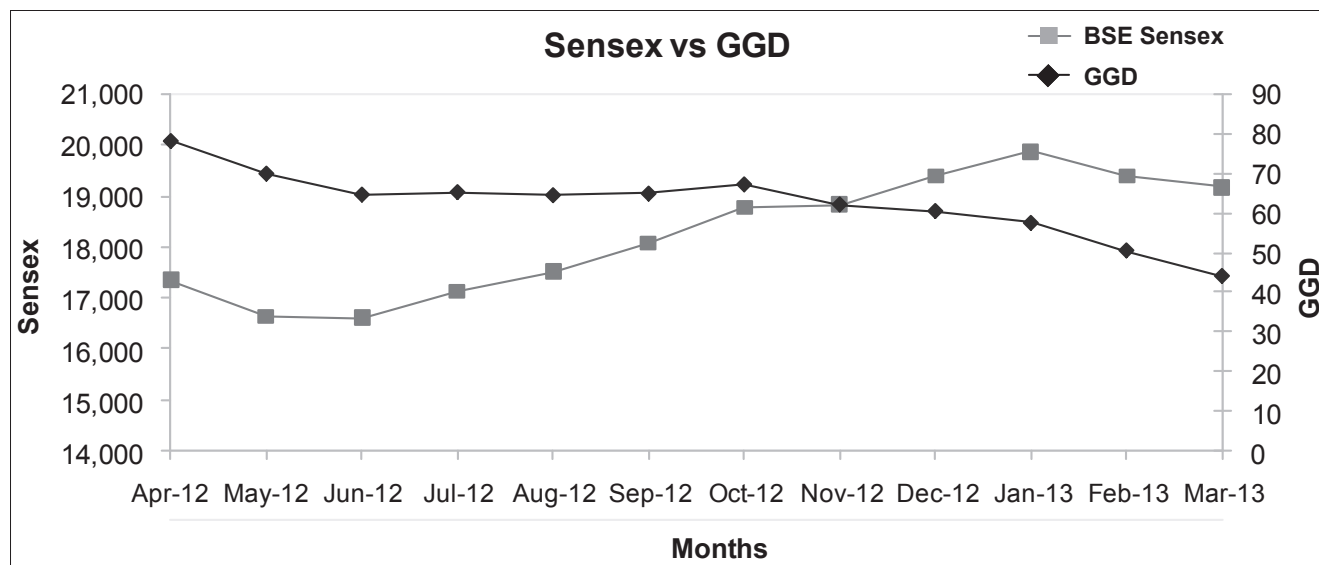
#### Market Price Data

Monthly high/low during the year 2012-2013 on the BSE Limited:

BSE Limited, Mumbai		
Month	High (₹)	Low (₹)
April 2012	86.7	69.2
May 2012	75.95	63.55
June 2012	66.95	62
July 2012	68.5	61.7
August 2012	68.5	60.15
September 2012	68.5	60.95
October 2012	73.1	61
November 2012	66	58
December 2012	63.15	57.55
January 2013	61.7	53
February 2013	57.85	43
March 2013	51	37

Performance of the Company's scrip on the BSE as compared to the BSE Sensex (in Rupees):

#### GRAPH



## Distribution of Shareholding (as on 31March 2013)

Range of shares		Number of holders		% to total holders		Total face value		% to total face value	
From	To	Physical	Demat	Physical	Demat	Physical	Demat	Physical	Demat
1	500	316	2,519	9.31	74.24	85,650	383,631	1.80	8.06
501	1,000	59	223	1.74	6.57	50,160	182,754	1.05	3.84
1,001	2,000	33	117	0.97	3.45	51,660	174,043	1.08	3.66
2,001	3,000	9	30	0.27	0.88	22,680	73,107	0.48	1.54
3,001	4,000	9	15	0.27	0.44	31,410	52,823	0.66	1.11
4,001	5,000	2	19	0.06	0.56	9,000	86,134	0.19	1.81
5,001	10,000	2	19	0.06	0.56	16,470	143,035	0.35	3.00
10,001		2	19	0.06	0.56	55,710	3,343,120	1.17	70.21
<b>SUBTOTAL</b>		432	2,961	12.74	87.26	322,740	4,438,647	6.78	93.22
<b>TOTAL</b>		3,393		100.00		4,761,387		100.00	

## Shareholding Pattern as on 31 March 2013

Category	No. of shares	%
Promoters	24,88,428	52.26
Resident Individuals	14,69,916	30.89
Private Corporate Bodies	5,33,394	11.20
Financial Institutions	1,57,680	3.31
Nationalised and other Banks	-	-
FII's and NRIs	99,831	2.09
Others	12,138	0.25
<b>TOTAL</b>	<b>47,61,387</b>	<b>100</b>

## Registrar and Transfer Agent:

The Company transferred the entire work relating to processing of transfer of shares to an outside agency i.e. Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited) being a SEBI Registered R&T Agent instead of setting up an in-house share transfer registry. Their contact details are as under:

Link Intime India Private Limited	Block No. 202, 2 <sup>nd</sup> Floor, Akshay Complex, Near Ganesh Temple, Off. Dhole Patil Road, Pune - 411 001. Contact Person: Mr. Rajeeva Koteswar Tel: +91 (20) - 26161629 / 26160084. Fax: +91 (20) - 26163503 Email: pune@linkintime.co.in
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## G. G. DANDEKAR MACHINE WORKS LIMITED

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### Share Transfer System:

The applications for transfer of shares received by the company's Registrar and Share Transfer Agents in physical form are processed, registered within 15 days of receipt of the documents valid in all respects. After such processing, the Registrar and Share Transfer Agents will issue share certificate to all other shareholders within 15 days of receipt of certificate for transfer. Shares under objection are returned within a week's time. The transfer applications are approved periodically.

Pursuant to the Listing Agreement, a certificate on half yearly basis is issued by the Practicing Company Secretary for compliance with share transfer formalities by the Company.

### Dematerialisation of shares:

The Company has arrangements with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) for demat facility. As on 31<sup>st</sup> March 2013, 43,61,767 equity shares being 91.61% of the total equity share capital of the Company was held in dematerialised form.

Particulars	No. of Shares	Percentage of Shares
No. of Shares held by NSDL	40,28,231	84.60
No. of Shares held by CDSL	4,10,416	8.62
Physical Shares	3,22,740	6.78
Total	47,61,387	100.00

Company does not have GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity.

### Plant Locations:

Plant Location	Products produced
Bhiwandi	Rice Mills, Dal Mills, Food Processing Machinery and Accessories
Nagpur	Food Processing Machinery and Accessories

### Address for correspondence:

Shareholders' correspondence should be addressed to Link Intime India Private Limited, Registrar and Transfer Agent at the address mentioned above. Shareholders can also email their queries / grievances to the following email address:

[ir@ggdandekar.com](mailto:ir@ggdandekar.com)

**Declaration under Clause 49 I (D) (ii) by the Executive Director of affirmation by the Board of Directors and Senior Management of Compliance with the Code of Conduct**

The Shareholders,

Pursuant to Clause 49 I (D) (ii) of the Listing Agreement, I hereby declare that all Board members and Senior Management personnel are aware of the provisions of the Code of Conduct laid down by the Board and made effective from 1<sup>st</sup> April, 2007. All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct.

**FOR G. G. DANDEKAR MACHINE WORKS LTD.**

**Date: 28<sup>th</sup> May 2013**

**Place: Pune**

**PRANAV DESHPANDE**

**Executive Director**

## **G. G. DANDEKAR MACHINE WORKS LIMITED**

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Registration No. of the Company: L 99999 MH 1938 PLC 002869  
Nominal Capital: Rs. 2 Crores

To,  
The Members of  
G.G. DANDEKAR MACHINE WORKS LIMITED  
211/A MIDC, Butibori Industrial Area,  
Village Kinhi, Tal. Hingana,  
Dist. Nagpur 441 122 (India).

We have examined the compliance conditions of Corporate Governance by G. G. DANDEKAR MACHINE WORKS LIMITED for the year ended on March 31<sup>st</sup>, 2013 as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Limited.

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

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

In our opinion and to the best of our information and according to explanations given to us and based on the representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

For **KANJ & ASSOCIATES**,  
Company Secretaries

**MAHESH A. ATHAVALE**  
Partner

**Place: Pune**  
**Date: 28<sup>th</sup> May 2013**

## Independent Auditor's Report

To the Members of  
G.G. Dandekar Machine Works Ltd.  
Nagpur.

### Report on the Financial Statements

We have audited the accompanying financial statements of M/s G.G. Dandekar Machine Works Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Managements Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

- e) on the basis of written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Joshi & Kulkarni,  
Chartered Accountants,  
F. R. No.: 115751-W

Place: Pune  
Date: 28<sup>th</sup> May, 2013

Shantanu Ghanekar  
(Partner)  
Membership No. :102133

**Annexure to Independent Auditor's Report**

**Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date**

1. In respect of its Fixed Assets:
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals in a phased manner during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company & nature of its assets. No material discrepancies were noticed on such verification.
  - c) Company has not disposed of any substantial part of fixed assets during the year.
2. In respect of its Inventories:
  - a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the internal controls related to the procedures of physical verification, especially those related to assessment of physical condition of inventories, followed by the management needs to be strengthened considering size of the company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956;
  - a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loan secured or unsecured, to companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the requirements of Clauses (iii) (b), (c) and (d) of paragraph 4 of the Order are not applicable.
  - b) According to the information and explanations given to us and on the basis of our examination of the books of account, Company has not taken any loan during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. According to the information and explanations given to us and to the best of our knowledge and belief and based on the audit procedures applied by us, there are no contracts or arrangements referred to in Section 301 of the Act and therefore, the requirements of paragraph 4(v) are not applicable to the Company.
6. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from public within the meaning of the directives issued by the Reserve Bank of India and sections 58A, 58AA or any other relevant provisions of the Act, and therefore, the provisions of the said directives, sections or rules made there under are not applicable to the Company.

7. In our opinion, the company has an internal audit system reasonably commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete, as the examination of the records are to be made by a Cost Auditor.
9. In respect of Statutory Dues:
- a) According to the information and explanations given to us and the records of the company, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, cess and other material statutory dues applicable to it with appropriate authorities during the year and there were no arrears of such dues at the year-end which have remained outstanding for a period of more than six months from the date they become payable.
- b) According to the information and explanations given to us and the records of the company examined by us, the details of disputed amount of taxes & duties not deposited are as follows:

Statute	Nature of Dues	Forum with Dispute is pending	Amount (Rs. in lacs)
Income Tax	Income Tax Act, 1961	High Court (Mumbai)	394.34
Sales Tax	Maharashtra Value Added Tax, 2002	Sales Tax Officer	1.78

10. The Company has no accumulated losses at 31<sup>st</sup> March 2013. The Company has not incurred cash losses during the financial year ended on 31.03.2013. Company had incurred cash losses of Rs. 862.88 lacs during immediately preceding financial year.
11. According to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to banks and financial institutions.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of paragraph 4(xiii) are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, and other investments. The company has invested surplus funds in marketable securities, for which proper records have been maintained in respect of the transactions and contracts and timely entries have been made therein. The investments in marketable securities have been held by the Company in its own name.
15. According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institution.
16. According to the information and explanations given to us and to the best of our knowledge and belief, the term loans availed by the Company have been, prima facie, applied by the Company for the purposes for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet, we report that funds raised on short term basis have, prima facie, not been used for long term investment.
18. According to the information and explanation given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act.
19. According to the information and explanation given to us, during the period covered by our audit report, the Company had not issued any debentures. Accordingly, paragraph 4(xix) of the order regarding creation of security is not applicable.
20. The Company has not raised any money by way of public issues during the year.
21. According to the information and explanations given to us and to the best of our knowledge and belief, no material fraud on or by the company was noticed or reported during the year.

For Joshi & Kulkarni,  
Chartered Accountants,  
F. R. No.: 115751-W

Shantanu Ghanekar  
(Partner)  
Membership No.: 102133

Place: Pune  
Date: 28<sup>th</sup> May, 2013



# G. G. DANDEKAR MACHINE WORKS LIMITED

## G. G. DANDEKAR MACHINE WORKS LIMITED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013

Sr. No.	PARTICULARS	Note No.	AS AT 31.03.2013		AS AT 31.03.2012	
			₹	₹	₹	₹
<b>A.</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1.</b>	<b>Shareholder's funds</b>					
	(a) Share Capital	A-1	4,761,387		4,761,387	
	(b) Reserves and Surplus	A-2	273,960,950	<b>278,722,337</b>	225,259,522	<b>230,020,909</b>
<b>2.</b>	<b>Non- Current Liabilities</b>					
	(a) Long Term Borrowings	A-3	42,468,676		53,475,632	
	(b) Deferred Tax Liabilities (Net)	A-4	0.00		0.00	
	(c) Other Long Term Liabilities	A-5	1,003,621		1,671,564	
	(d) Long Term Provisions	A-6	890,375	<b>44,362,672</b>	1,068,388	<b>56,215,584</b>
<b>3.</b>	<b>Current Liabilities</b>					
	(a) Short Term Borrowings	A-7	17,618,755		11,584,042	
	(b) Trade Payables	A-8	8,432,340		6,555,959	
	(c) Other Current Liabilities	A-9	54,002,861	<b>80,053,956</b>	110,935,880	<b>129,075,881</b>
				<b>403,138,965</b>		<b>415,312,374</b>
<b>B.</b>	<b>ASSETS</b>					
<b>1.</b>	<b>Non-Current Assets</b>					
	(a) Fixed Assets	A-10				
	(i) Tangible Assets		182,408,954		30,177,137	
	(ii) Intangible Assets		2,117,886		1,491,003	
	(iii) Capital Work-in-Progress		0.00		109,693,115	
	(b) Non-Current Investments	A-11	46,994,538		122,942,122	
	(c ) Deferred Tax Asset (net)	A-4	27,921,478		9,060,290	
	(c) Long-Term Loans and Advances	A-12	4,021,025		4,061,465	
	(d) Other Non-Current Assets	A-13	2,381,158	<b>265,845,039</b>	45,627,774	<b>323,052,906</b>
<b>2.</b>	<b>Current Assets</b>					
	(a) Inventories	A-14	21,060,393		46,497,975	
	(b) Trade Receivables	A-15	12,829,267		11,145,081	
	(c) Cash & Cash Equivalents	A-16	4,798,148		8,508,956	
	(d) Short Term Loans & Advances	A-17	17,439,680		15,073,704	
	(e) Other Current Assets	A-18	81,166,438	<b>137,293,926</b>	11,033,752	<b>92,259,468</b>
				<b>403,138,965</b>		<b>415,312,374</b>
	Notes to Accounts	Part B & C				

As per our report of even date attached

For Joshi & Kulkarni  
Chartered Accountants  
[Firm Regn. No. 115751W]

For and on behalf of the Board of Directors

Shantanu Ghanekar  
Partner  
M. No.102133  
Place: Pune  
Date: 28.05.2013

Jayata Dashottar  
Company Secretary  
Place: Pune  
Date: 28.05.2013

Pankaj Parkhi  
Sr. Manager -Finance

Pranav Deshpande  
Executive Director

Nihal Kulkarni  
Vice-Chairman

**G. G. DANDEKAR MACHINE WORKS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

Sr. No.	PARTICULARS	Note No.	2012-13		2011-12	
			₹	₹	₹	₹
<b>I</b>	<b>INCOME</b>					
1	Revenue from Operations	A-19	148,759,580		131,774,882	
2	Other Income	A-20	4,438,983	153,198,563	9,275,393	141,050,275
<b>II</b>	<b>EXPENSES</b>					
1	Cost of Materials Consumed & Direct Expenses	A-21	88,324,221		65,192,829	
2	Changes In Inventories (Of Work In Progress & Stock-in-trade)	A-22	(5,656,856)		4,576,506	
3	Employee Benefits	A-23	35,907,466		51,894,515	
4	Finance Costs	A-24	10,516,636		3,448,497	
5	Depreciation and Amortization Expenses	A-10	13,504,886		2,545,258	
6	Selling & Distribution Expenses	A-25	14,635,868		6,851,669	
7	Other Expenses	A-26	29,514,446		26,574,068	
				186,746,666		161,083,342
III	<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>			<b>(33,548,102)</b>		<b>(20,033,067)</b>
	Less/(Add): Exceptional Items	A-27		70,315,343		(68,881,404)
III	<b>Profit / (Loss) Before Tax</b>			<b>36,767,241</b>		<b>(88,914,471)</b>
	<b>Less: Tax expenses:</b>					
1	Current tax			6,927,000		0.00
2	Tax relating to prior period			0.00		0.00
3	Deferred tax			(18,861,187)		(10,566,815)
IV	<b>Profit / (Loss) After Tax</b>			<b>48,701,428</b>		<b>(78,347,656)</b>
	<b>Earnings per equity share:</b>					
	Basic & Diluted			<b>10.23</b>		<b>(16.45)</b>
	Notes to Accounts	Part B & C				

As per our report of even date attached

For Joshi & Kulkarni  
Chartered Accountants  
[Firm Regn. No. 115751W]

For and on behalf of the Board of Directors

Shantanu Ghanekar  
Partner  
M. No.102133  
Place: Pune  
Date: 28.05.2013

Jayata Dashottar  
Company Secretary  
Place: Pune  
Date: 28.05.2013

Pankaj Parkhi  
Sr. Manager -Finance

Pranav Deshpande  
Executive Director

Nihal Kulkarni  
Vice-Chairman

# G. G. DANDEKAR MACHINE WORKS LIMITED

## G. G. DANDEKAR MACHINE WORKS LIMITED CASHFLOW STATEMENT FOR THE YERE ENDED 31ST MARCH 2013

PARTICULARS	For the Year Ended on 31.03.13	For the Year Ended on 31.03.12
	₹	₹
<b>Cash Flow from Operating Activities</b>		
<b>Profit before Tax (PBT)</b>	<b>36,767,241</b>	<b>(88,914,471)</b>
Adjustments for:		
Depreciation	13,504,886	2,545,258
Interest paid	10,516,636	3,448,497
Dividend Received	(2,599,655)	(5,186,158)
Foreign Exchange (Gain) / Loss	(557,882)	(561,435)
(profit)/loss on sale of Assets	(104,035,812)	81,465
(profit)/loss on sale of Investments	0.00	3,730,530
(profit)/loss on sale of Investments	4,670,107	(7,258,330)
Sundry Credit Balances Written Back	(1,062,463)	0.00
Sundry Debit Balances Written off	967,455	0.00
Provision for bad & doubtful debts	2,295,990	0.00
Provision against receivable from GGDIPL (Shown under Exceptional Item-Note no. A-27)	1,511,440	0.00
Inventory written off	27,538,921	0.00
VRS Compensation	0.00	68,881,404
	<b>(47,250,376)</b>	<b>65,681,231</b>
<b>Operating Profit Before Working Capital changes</b>	<b>(10,483,135)</b>	<b>(23,233,240)</b>
Adjustments for:		
Trade & Other Receivables	(5,314,935)	(8,250,186)
Inventories	(2,101,339)	3,985,486
Trade & Other Payables	(14,940,131)	(3,863,363)
	<b>(22,356,405)</b>	<b>(8,128,063)</b>
<b>Cash Generated from Operations</b>	<b>(32,839,541)</b>	<b>(31,361,303)</b>
Direct Taxes	(9,500,000)	(1,500,000)
<b>Cash used in Operating Activities (A)</b>	<b>(42,339,541)</b>	<b>(32,861,303)</b>
Purchase of Fixed Assets	(13,454,320)	(2,159,795)
Sale of Fixed Assets	34,035,812	881,780
Receivable against sale of Investments in GGDIPL (Shown under Exceptional Item-Note no.A-27)	(71,277,476)	0.00
Sale of Investments	75,947,584	132,532,934
Profit / (Loss) on sale of Investments	(4,670,107)	0.00
Purchases of Investments	0.00	(35,596,955)
Capital Advances/WIP	0.00	(57,697,618)
Capital Advances received against sale of land	30,100,000	70,000,000
Dividend received	2,599,655	5,186,158
Foreign Exchange (Gain) / Loss	557,882	0.00
VRS compensation	0.00	(68,881,404)
<b>Cash generated from Investments Activities (B)</b>	<b>53,839,030</b>	<b>44,265,100</b>
<b>Cash Flow from Financing Activities</b>		
Long Term Borrowings	(11,006,956)	0.00
Short Term Borrowings	6,034,713	(14,491,113)
Dividend Paid	0.00	(16,656,582)
Interest paid	(10,516,636)	(3,448,497)
<b>Cash used in Financial Activities (C)</b>	<b>(15,488,879)</b>	<b>(34,596,192)</b>
Net Increase / (Decrease) In Cash and Cash Equivalent (A+B+C)	<b>(3,989,391)</b>	<b>(23,192,395)</b>
Cash & Cash Equivalents :(Opening Balances)	<b>7,422,749</b>	<b>30,615,144</b>
Cash & Cash Equivalents :(Closing Balances)	<b>3,433,360*</b>	<b>7,422,749</b>

\* Excludes Rs. 1,364,788/- on account of unclaimed amount of scheme of arrangement and unclaimed dividend.

As per our report of even date attached

For Joshi & Kulkarni  
Chartered Accountants  
[Firm Regn. No. 115751W]

For and on behalf of the Board of Directors

Shantanu Ghanekar  
Partner  
M. No.102133  
Place: Pune  
Date: 28.05.2013

Jayata Dashottar  
Company Secretary  
Place: Pune  
Date: 28.05.2013

Pankaj Parkhi  
Sr. Manager -Finance

Pranav Deshpande  
Executive Director

Nihal Kulkarni  
Vice-Chairman

## Notes to Accounts: PART A

NOTE NO.	PARTICULARS	AS AT 31.03.2013		AS AT 31.03.2012	
		No. of Shares	₹	No. of Shares	₹
<b>A-1.0</b>	<b>SHARE CAPITAL</b>				
	<b>AUTHORISED</b> Equity Shares of ₹1/- each	<b>20,000,000</b>	<b>20,000,000</b>	<b>20,000,000</b>	<b>20,000,000</b>
	<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b> Equity Shares of ₹1/- each fully paid up	<b>4,761,387</b>	<b>4,761,387</b>	<b>4,761,387</b>	<b>4,761,387</b>
<b>A-1.1</b>	<b>Reconciliation of shares :</b> The Company has neither issued nor bought back any shares in the capital of the company during the year.				
<b>A-1.2</b>	<b>Rights, preferences and restrictions attached to equity shares :</b> The equity shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 1956.				
<b>A-1.3</b>	<b>Details of shares held by each shareholder holding more than 5% shares:</b>				
	<b>Name of the Shareholder</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
	a) Atul C. Kirloskar	435,190	9.14%	435,190	9.14%
	b) Rahul C. Kirloskar	424,298	8.91%	424,298	8.91%
	c) Arti A. Kirloskar	400,000	8.40%	400,000	8.40%
	d) Alpana R. Kirloskar	400,000	8.40%	400,000	8.40%
	e) Gautam A. Kulkarni	428,430	9.00%	428,430	9.00%
	f) Jyotsna G. Kulkarni	400,000	8.40%	400,000	8.40%
	g) K. V. Development & Investment Company Pvt. Ltd.	268,664	5.64%	268,664	5.64%

NOTE NO.	PARTICULARS	AS AT 31.03.2013		AS AT 31.03.2012	
		₹	₹	₹	₹
<b>A-2.0</b>	<b>RESERVES &amp; SURPLUS</b>				
	<b>a) General Reserve</b>				
	Balance as per last Financial Statement	95,760,971		95,760,971	
	Add: Transferred from Surplus in Statement of Profit & Loss A/c during the year	2,000,000	<b>97,760,971</b>	0.00	<b>95,760,971</b>
	<b>b) Surplus in Statement of Profit &amp; Loss</b>				
	Balance as per last Financial Statement	129,498,551		207,846,207	
	Add: Profit /(Loss) for the year as per Statement of Profit & Loss A/c	48,701,428		(78,347,656)	
	<b>Less: Appropriations</b>				
	Transferred to General Reserve	178,199,979		129,498,551	
		2,000,000	<b>176,199,979</b>	0.00	<b>129,498,551</b>
	<b>Balance at the end of the year</b>		<b>273,960,950</b>		<b>225,259,522</b>

**G. G. DANDEKAR MACHINE WORKS LIMITED**

NOTE NO.	PARTICULARS	AS AT 31.03.2013		AS AT 31.03.2012	
		Non Current ₹	Current Maturities ₹	Non Current ₹	Current Maturities ₹
<b>A-3.0</b>	<b>LONG TERM BORROWINGS</b>				
	<b>Term Loans (Secured):</b>				
	From Banks	42,468,676	11,427,482	53,475,632	11,412,868
	Less: Considered under Note No. A-9 below.		(11,427,482)		(11,412,868)
		<b>42,468,676</b>	<b>0.00</b>	<b>53,475,632</b>	<b>0.00</b>
<b>A-3.1</b>	<b>Out of the Term Loans From Banks :</b>				
	a) Term loan amounting to Rs. 53,350,375/- (Previous Year Rs. 64,211,025/-) is secured by hypothecation of Plant & Machinery as well as factory building at Nagpur and collaterally secured by mortgage of land and building of the company at Bhiwandi.				
	b) Term loans amounting to Rs. 545,783/- (Previous Year Rs. 677,475/-) is secured by vehicle purchased out of the said term loan.				
NOTE NO.	PARTICULARS	AS AT 31.03.2013		AS AT 31.03.2012	
		₹	₹	₹	₹
<b>A-4.0</b>	<b>DEFERRED TAX ASSETS/LIABILITIES (NET)</b>				
	a) Deferred Tax Asset Mainly on account of losses under the Income Tax Act, 1961	30,486,050		9,886,720	
	b) Deferred Tax Liability On account of timing difference in depreciation	2,564,572		826,430	
			<b>27,921,478</b>		<b>9,060,290</b>
<b>A-5.0</b>	<b>OTHER LONG TERM LIABILITIES</b>				
	Trade & Security Deposits		<b>1,003,621</b>		<b>1,671,564</b>
			<b>1,003,621</b>		<b>1,671,564</b>
<b>A-6.0</b>	<b>LONG TERM PROVISIONS</b>				
	Provisions for Employee Benefits				
	Leave Encashment		<b>890,375</b>		<b>1,068,388</b>
			<b>890,375</b>		<b>1,068,388</b>

NOTE NO.	PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
		₹	₹
A-7.0	<b>SHORT TERM BORROWINGS</b>		
	<b>From Banks</b>		
	<b>Secured</b>		
	Cash Credit Account	17,618,755	11,584,042
		<b>17,618,755</b>	<b>11,584,042</b>

A-7.1	Cash Credit amounting to Rs.17,618,755/- (Previous Year Rs. 11,584,042/-) is secured by hypothecation of inventory and book debts and collaterally secured by mortgage of land and building of the company at Bhiwandi.
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NOTE NO.	PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
		₹	₹
A-8.0	<b>TRADE PAYABLES</b>		
	Under MSMED Act, 2006	0.00	0.00
	Others for Goods and Services	8,432,340	6,555,959
		<b>8,432,340</b>	<b>6,555,959</b>
A-9.0	<b>OTHER CURRENT LIABILITIES</b>		
	a) Current Maturities of Long Term Borrowings		
	From Banks	11,427,482	11,412,868
	b) Advance Against Sale of Land	30,100,000	70,000,000
	c) Expenses Payable	4,468,977	2,982,122
	d) Other Payable	3,320,433	1,590,326
	e) Advance from Customers	3,289,542	21,764,729
	f) Ex-gratia & Superannuation Payable	1,396,427	3,185,835
	<b>54,002,861</b>	<b>110,935,880</b>	

# G. G. DANDEKAR MACHINE WORKS LIMITED

Notes to Accounts: (Part A) Continued

NOTE NO - A-10

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 01.04.2012 ₹	Additions during the Year ₹	Deductions during the Year ₹	As at 31.03.2013 ₹	Up to 31.03.2012 ₹	Deductions during the Year ₹	For the Year ₹	Up to 31.03.2013 ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
<b>TANGIBLE ASSETS</b>										
FREEHOLD LAND	47,858	0.00	1,801	46,057	0.00	0.00	0.00	0.00	46,057	33,671
LEASEHOLD LAND	23,703,452	0.00	0.00	23,703,452	585,984	0.00	246,806	832,790	22,870,662	23,117,468
FACTORY BUILDING	2,554,670	73,252,264	0.00	75,806,934	2,424,951	0.00	6,043,766	8,468,717	67,338,217	129,719
OTHER BUILDING	1,809,229	63,986,390	0.00	65,795,619	1,170,648	0.00	2,675,106	3,845,754	61,949,865	638,581
PLANT & MACHINERY	12,076,666	24,146,267	0.00	36,222,933	9,422,752	0.00	2,483,001	11,905,753	24,317,180	2,653,914
PATTERNS, JIGS & MOULDS	1,023,169	29,610	0.00	1,052,779	464,823	0.00	173,046	637,869	414,910	558,347
COMPUTER MACHINERY	4,667,302	1,154,408	0.00	5,821,710	3,765,587	0.00	724,455	4,490,042	1,331,668	901,715
FURNITURE, FIXTURE & OFFICE EQUIPMENTS	3,612,614	2,890,554	27,563	6,475,605	2,251,468	6,319	670,029	2,915,178	3,560,427	1,361,145
VEHICLES	974,795	0.00	0.00	974,795	192,219	0.00	202,609	394,828	579,967	782,576
<b>INTANGIBLE ASSETS</b>										
COMPUTER SOFTWARE	3,082,286	912,951	0.00	3,995,237	1,591,284	0.00	286,067	1,877,351	2,117,886	1,491,002
<b>TOTAL</b>	<b>53,552,041</b>	<b>166,372,444</b>	<b>29,364</b>	<b>219,895,121</b>	<b>21,869,715</b>	<b>6,319</b>	<b>13,504,886</b>	<b>35,368,282</b>	<b>184,526,840</b>	<b>31,668,139</b>
Previous Year	53,095,168	2,159,795	1,717,109	53,537,854	20,078,322	753,866	2,545,258	21,869,714	31,668,139	33,032,845
Capital Work-In-Progress									0.00	109,693,115
<b>TOTAL</b>									<b>184,526,840</b>	<b>141,361,254</b>

## Notes to Accounts: (Part A) Continued

NOTE NO.	PARTICULARS	AS AT	AS AT
		31.03.2013	31.03.2012
		₹	₹
<b>A-11.0</b>	<b>INVESTMENTS</b>		
<b>A-11.1</b>	<b>NON CURRENT INVESTMENTS</b>		
	<b>A) INVESTMENTS IN EQUITY INSTRUMENTS (VALUED AT COST)</b>		
	<b>I) Trade, Unquoted and fully paid up</b>	<b>15,121</b>	<b>15,121</b>
	a) 1,000 (Previous Year 1,000) Equity Shares of Rs. 10/- each in Saraswat Co-Operative Bank Limited [Market Value Rs. 10,000/- (Previous Year Rs. 10,000/-)]	10,000	10,000
	b) 500 (Previous Year 500) Equity Shares of Rs. 10/- each in ENG. R. M. C. Ltd [Market Value Rs. 5,000/- (Previous Year Rs. 5,000/-)]	5,000	5,000
	c) 121 (Previous Year 121) Equity Shares of Rs. 1/- each in M. S. Co operative bank ltd. [Market Value Rs. 121/- (Previous Year Rs. 121/-)]	121	121
	<b>II) Non Trade, Quoted and fully paid up</b>	<b>46,979,417</b>	<b>46,979,418</b>
	a) 24,820 (Previous Year 24,820) Equity Shares of Rs. 2/- each in Gujarat Gas Limited [Market Value Rs.5,950,595 /-. (Previous Year Rs. 9,671,113/-)]	3,285,338	3,285,339
	b) 70,000 (Previous Year 70,000) Equity Shares of Rs. 10/- each in Indraprastha Gas Limited [Market Value Rs. 19,281,500/- (Previous Year Rs. 26,212,500/-)]	8,218,045	8,218,045
	c) 30,000 (Previous Year 30,000) Equity Shares of Re. 1/- each in Marico Limited [Market Value Rs. 6,367,500/- (Previous Year Rs. 5,235,000/-)]	1,812,062	1,812,062
	d) 8,349 (Previous Year 8,349) Equity Shares of Rs. 10/- each in Lakshmi Machine Works Limited [Market Value Rs.15,478,629/- (Previous Year Rs. 13,256,960/-)]	6,174,211	6,174,211
	e) 8,607 (Previous Year 8,607) Equity Shares of Rs. 10/- each in ICRA Limited [Market Value Rs. 8,683,172/- (Previous Year Rs. 9,645,865/-)]	3,888,064	3,888,064
	f) 20,000 (Previous Year 20,000) Equity Shares of Rs. 10/- each in CRISIL Limited [Market Value Rs. 21,673,000/- (Previous Year Rs. 19,531,000/-)]	5,029,303	5,029,303
	g) 100,000 (Previous Year 20,000) Equity Shares of Rs. 2/- each (Previous Year Rs. 10/- each) in Gruh Finance Limited [Market Value Rs. 21,025,000/- (Previous Year Rs. 12,694,000/-)]	3,881,866	3,881,866
	h) 5,189 (Previous Year 5,189) Equity Shares of Rs. 10/- each in Bajaj Holdings & Investments limited [Market Value Rs. 4,745,600/- (Previous Year Rs. 4,220,473/-)]	3,828,739	3,828,739
	i) 5,400 (Previous Year 5,400) Equity Shares of Rs. 10/- each in Bajaj Auto Limited [Market Value Rs. 9,692,460/- (Previous Year Rs. 9,060,660/-)]	6,914,212	6,914,212
	j) 7,200 (Previous Year 7,200) Equity Shares of Rs. 10/- each in Balmer Lawrie & Company Limited [Market Value Rs.4,361,760/- (Previous Year Rs. 3,840,480/-)]	3,947,577	3,947,577
	<b>B) INVESTMENT IN GGD IPL</b>	<b>0.00</b>	<b>75,947,583</b>
	EQUITY SHARES -FULLY PAID (UNQUOTED)	0.00	75,947,583
	Nil (Previous Year 2,116,935) Equity Shares of SGD 1/- each in G. G. Dandekar Investments Pte. Limited, Singapore		
		<b>46,994,538</b>	<b>122,942,122</b>

Sr. No.	Particulars	As at 31.03.2013		As at 31.03.2012	
		₹	₹	₹	₹
		Cost	Market Value	Cost	Market Value
1	Aggregate Value of Non Trade & Quoted Investment	46,979,417	117,259,215	46,979,418	113,668,051
2	Aggregate Value of Trade & Unquoted Investment	15,121	15,121	75,962,704	75,962,704
	<b>Total</b>	<b>46,994,538</b>	<b>117,274,336</b>	<b>122,942,122</b>	<b>189,630,755</b>



## G. G. DANDEKAR MACHINE WORKS LIMITED

### Notes to Accounts: (Part A) Continued

NOTE NO.	PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
		₹	₹
A-12.0	<b>LONG TERM LOANS AND ADVANCES</b> (Un-secured and considered good)		
	Security Deposits	4,021,025	4,061,465
		<b>4,021,025</b>	<b>4,061,465</b>
A-13.0	<b>OTHER NON-CURRENT ASSETS</b> (Un-secured Considered Good)		
	Capital advances:	2,381,158	45,627,774
		<b>2,381,158</b>	<b>45,627,774</b>
A-14.0	<b>INVENTORIES</b>		
	a) Raw Materials (at cost, net of provision)	10,033,775	16,843,483
	b) Work-in-progress (at cost or net realisable value, whichever is lower)	3,109,903	3,999,122
	c) Finished Goods (at cost or net realisable value, whichever is lower) (Also refer note no 12)	7,916,715	25,655,370
		<b>21,060,393</b>	<b>46,497,975</b>
A-15.0	<b>TRADE RECEIVABLES</b> (Unsecured and considered good)		
	Debts Outstanding for a period exceeding six months	4,100,882	4,455,889
	Other debts	11,024,375	6,689,192
	Less : Provision for bad & doubtful debts	2,295,990	0.00
		<b>12,829,267</b>	<b>11,145,081</b>
NOTE NO.	PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
		₹	₹
A-16.0	<b>CASH AND CASH EQUIVALENTS</b>		
	a) Cash in hand	183,946	263,262
	b) Balances with Banks In Current Accounts	4,614,202	8,245,694
		<b>4,798,148</b>	<b>8,508,956</b>
A-17.0	<b>SHORT TERM LOANS AND ADVANCES</b> (Unsecured and considered good)		
	a) Advances to Employees	349,976	617,726
	b) Advances to suppliers	330,190	2,228,568
	c) Advance Income Tax (Including TDS ) (Net of Provision for Tax)	14,592,354	12,019,354
	d) Other Advances	2,167,160	208,056
		<b>17,439,680</b>	<b>15,073,704</b>
A-18.0	<b>OTHER CURRENT ASSETS</b>		
	a) Receivable from G.G. Dandekar Investments Pte. Ltd.(GGDIPL) Less: Provision (Refer Note No. 01)	1,511,440 1,511,440 <b>0.00</b>	1,422,468 0.00 <b>1,422,468</b>
	b) Prepaid Expenses	701,491	415,488
	c) Receivable against Sale of Land	8,587,634	8,587,634
	d) Receivable against Sale of Investment in GGDIPL	71,277,476	0.00
	e) Other Receivables	598,036	592,162
	f) Asset held for Disposal	1,801	16,000
		<b>81,166,438</b>	<b>11,033,752</b>

## Notes to Accounts: (Part A) Continued

NOTE NO.	PARTICULARS	2012-13	2011-12
		₹	₹
A-19.0	<b>REVENUE FROM OPERATIONS</b>		
	Sale of Products*	148,759,580	131,774,882
		<b>148,759,580</b>	<b>131,774,882</b>
	* Company's products are exempt from Excise Duty		
A-20.0	<b>OTHER INCOME</b>		
	a) Miscellaneous Income	211,227	31,324
	<b>Income from Long Term Investments:</b>		
	b) Dividend	2,599,655	5,186,158
	c) Gain on foreign currency transactions and translations (Net of Expenses)	557,882	561,435
	d) Profit on Sale of Investments	0.00	3,496,476
	e) Profit on Sale of Fixed Assets (Net of Expenses)	7,756	0.00
	f) Advances from customers written back	1,062,463	0.00
	<b>4,438,983</b>	<b>9,275,393</b>	

## G. G. DANDEKAR MACHINE WORKS LIMITED

### Notes to Accounts: (Part A) Continued

NOTE NO.	PARTICULARS	2012-13		2011-12	
		₹	₹	₹	₹
<b>A-21.0</b>	<b>COST OF MATERIALS CONSUMED</b>				
	a) Raw Materials				
	Opening Stock	16,911,316		16,222,096	
	Add : Purchases	79,142,772		59,403,798	
	Less : Inventory written off	3,274,810			
	(Please refer note no.C-12)				
		<b>92,779,278</b>		<b>75,625,894</b>	
	Less : Closing Stock	10,101,609		16,911,316	
		<b>10,101,609</b>	<b>82,677,669</b>	<b>16,911,316</b>	<b>58,714,578</b>
			<b>82,677,669</b>		<b>58,714,578</b>
	b) Other Direct Expenses		3,719,882		1,942,107
	c) Packing Freight & Transport		1,926,670		4,536,144
			<b>88,324,221</b>		<b>65,192,829</b>
<b>A-22.0</b>	<b>CHANGES IN INVENTORIES OF WORK IN PROGRESS &amp; FINISHED GOODS</b>				
	OPENING STOCK				
	Work-in-progress	3,999,122		6,806,538	
	Finished Goods	25,655,370		27,424,460	
		29,654,492		34,230,998	
	Less : Inventory written off	24,284,731		0.00	
	(Please refer note no.C-12)	<b>5,369,761</b>		<b>34,230,998</b>	
	Less: CLOSING STOCK				
	Work-in-progress	3,109,903		3,999,122	
	Finished Goods	7,916,714		25,655,370	
		<b>11,026,617</b>		<b>29,654,492</b>	
	(INCREASE) / DECREASE		<b>(5,656,856)</b>		<b>4,576,506</b>
<b>A-23.0</b>	<b>EMPLOYEE BENEFITS</b>				
	a) Salaries, Wages, Ex-gratia & Other Allowances	31,781,507		31,179,539	
	b) Gratuity	22,972		15,095,272	
	c) Contribution to PF/FPF/ESI & Other Funds	1,879,307		4,010,029	
	d) Staff / Labour Welfare	2,223,680		1,609,675	
			<b>35,907,466</b>		<b>51,894,515</b>

## Notes to Accounts: (Part A) Continued

NOTE NO.	PARTICULARS	2012-13		2011-12	
		₹	₹	₹	₹
<b>A-24.0</b>	<b>FINANCE COSTS</b>				
	a) Interest to Banks & Finance Companies		10,435,906		3,236,595
	b) Bank Charges		80,730		211,902
			<b>10,516,636</b>		<b>3,448,497</b>
<b>A-25.0</b>	<b>SELLING &amp; DISTRIBUTION EXPENSES</b>				
	a) Commission on sales		8,786,175		4,741,475
	b) Sales Promotion		1,755,840		1,076,758
	c) Warranty		3,543,853		190,436
	d) After Sales Service Charges		550,000		843,000
			<b>14,635,868</b>		<b>6,851,669</b>
<b>A-26.0</b>	<b>OTHER EXPENSES</b>				
	a) Rent, Rates & Taxes		3,356,690		3,171,668
	b) Insurance charges		1,002,751		1,022,970
	c) Repairs & Maintenance				
	i) Building	155,000		260	
	ii) Plant & Machinery	885,555		905,798	
	iii) Other Assets	1,902,898	2,943,453	1,206,961	2,113,019
	d) Payment to Auditors				
	i) Statutory Audit fees	224,720		220,600	
	ii) Tax Audit Fees	56,180		55,150	
	iii) Other matters	0.00		11,030	
	iv) Out of Pocket Expenses	4,225	285,125	31,644	318,424
	e) Travelling & Conveyance		5,683,630		5,295,957
	f) Communication Expenses		1,391,070		1,649,894
	g) Professional Fees		3,181,922		2,860,320
	h) Directors Sitting Fees		215,000		165,000
	i) Housekeeping Expenses		2,421,787		2,078,770
	j) Loss of PF Trust		0.00		1,114,434
	k) Security Expenses		3,462,326		2,115,176
	l) Office Expenses		715,162		1,630,960
	m) Miscellaneous Expenses		1,033,049		2,381,612
	n) Loss on sale of assets		0.00		81,465
	o) Research & Development		559,036		574,400
	p) Sundry Balances written off		967,455		0.00
	q) Provision for bad & doubtful debts		2,295,990		0.00
			<b>29,514,446</b>		<b>26,574,068</b>

NOTE NO.	PARTICULARS	2012-13		2011-12	
		₹	₹	₹	₹
<b>A-27.0</b>	<b>EXCEPTIONAL ITEMS</b>				
	a) Profit on sale of land		104,035,812		0.00
	b) Inventory written off - (Refer note no.C-12)		(27,538,921)		0.00
	c) Loss on sale of investments in - - G.G. Dandekar Investments Pte. Ltd.		(4,670,107)		0.00
	d) VRS Compensation		0.00		(68,881,404)
	e) Provision against receivable from G.G. Dandekar Investments Pte. Ltd. (Refer note no. C-1)		(1,511,440)		0.00
			<b>70,315,343</b>		<b>(68,881,404)</b>

## **G. G. DANDEKAR MACHINE WORKS LIMITED**

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### **Notes to Accounts: (Part B)**

#### **SCHEDULE "B": SCHEDULE OF NOTES FORMING PART OF ACCOUNTS SIGNIFICANT ACCOUNTING POLICIES:**

##### **1. Method of accounting:**

The financial statements have been prepared under historical cost convention on accrual basis and comply with notified accounting standards as referred to in Section 211 (3C) and other relevant provisions of the Companies Act, 1956; unless otherwise specified.

##### **2. Use of Estimates:**

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and reported amounts of revenues and expenses during the reported period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

##### **3. Fixed Assets:**

Fixed assets are stated at cost, less accumulated depreciation or amortization. Cost is inclusive of freight, duties, taxes (to the extent of credit not availed) and incidental expenses related to acquisition, installation, erection and commissioning. Financing cost relating to acquisition of qualifying fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

##### **4. Depreciation and Amortization:**

- a. Depreciation on Fixed Assets has been charged on Written Down Value Method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956, except as stated in Para (b) & (c) below.
- b. Cost of Leasehold Land is amortized over remaining period of lease agreement.
- c. Computer Software are being amortized on Straight Line Method over period of 6 years.

##### **5. Investments:**

Long term investments are stated at cost. Provision is made to recognize the decline, other than temporary in nature, in carrying amount of such investments. Current investments are stated at the lower of cost or fair value.

##### **6. Inventories:**

- a. Inventories are valued at lower of cost or estimated net realizable value.
- b. Cost of raw materials, components, consumables, tools, stores and spares is arrived at on weighted average cost basis.
- c. Cost of finished goods and Work in progress is arrived at on the basis of weighted average cost of raw material and other cost of conversion thereof for bringing the inventories up to their present location and condition.

##### **7. Foreign Currency Transactions:**

- a. Initial Recognition: Foreign Currency Transactions are translated into Indian Rupee at the exchange rates prevailing on the date of transactions.
- b. Conversion: At the end of accounting year, the monetary items denominated in foreign currencies are restated at the exchange rates prevailing on the last day of the accounting year.
- c. Exchange Differences: The exchange differences arising on settlement/ conversion of foreign currency transactions are recognized in Profit and Loss Account.
- d. The financial statements of non-integral foreign operations are translated as per provisions of AS-11.

##### **8. Research and Development Expenses**

- a. Research and Development Expenses, other than Capital Expenses are charged to Profit and Loss Account as and when incurred.
- b. Capital expenditure incurred for research and development activities are included in respective Fixed Assets and Depreciation is provided as per rates specified, in Schedule XIV of the Companies Act, 1956.

##### **9. Revenue Recognition:**

- a. Sales are accounted for net of Central Sales Tax and Value Added Tax.

- b. Revenue from sale is recognized when the significant risks and rewards of ownership of goods have been passed to customers, which generally coincides with their removal from Factory.
- c. Revenue from erection and commissioning services is recognized on percentage Completion method.
- d. Interest income is recognized on accrual basis at applicable interest rate.
- e. Dividend income is recognized when the Company's right to receive dividend is established.

#### 10. Employee Benefits:

##### a. Short Term Employee Benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, bonus and other allowances and short term compensated absences etc. are recognized in the period in which the employee renders the related service.

##### b. Post-Employment Benefits:

###### i. Defined Contribution Plans:

The State governed Employee Pension Scheme, Employees State Insurance Scheme, the Company's Provident Fund administered by an independent Trust and the Company's Superannuation Scheme are the defined contribution plans. The liability on account of company's contribution paid or payable under these schemes is recognized during the period in which the employee renders the related service and is charged to the Profit and Loss account. The Company has no further obligation beyond these contributions.

###### ii. Defined Benefit Plans:

The employees' gratuity fund scheme is the Company's defined benefit plan. The present value of the obligation under the said defined benefit plan is determined on the basis of actuarial valuation from an independent actuary. Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

##### c. Long Term Employee Benefits:

The accruing liability on account of encashment of leave entitlement of employees as per the rules of the Company is determined and provided for on the basis of the actuarial valuation from an independent actuary. Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

#### 11. Provision for Current and Deferred Tax:

- i. Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions of Income Tax Act, 1961.
- ii. Provision for Deferred Tax resulting from 'Timing Difference' between books and taxable profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on balance Sheet date. The deferred tax asset is recognized only to the extent that there is a reasonable certainty that the assets will be adjusted in future.

#### 12. Borrowing Cost:

Borrowing costs are charged to Profit and Loss Account, except in cases where borrowings are directly attributable to acquisition, construction or production of a qualifying asset. A qualifying asset is one which necessarily takes substantial period of time to get ready for intended use.

#### 13. Impairment of Assets:

Provision for impairment loss, if any, is recognized to the extent by which the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is determined on the basis of the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

#### 14. Provisions, Contingent Liabilities and Contingent Assets:

- i. Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if :
  - a. The company has a present obligation as a result of past event,
  - b. The probable outflow of resources is expected to settle the obligation, and
  - c. The amount of obligation can be reliably estimated.

## G. G. DANDEKAR MACHINE WORKS LIMITED

- ii. Contingent liabilities are disclosed in the case of:
  - a. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
  - b. A possible obligation unless the probability of outflow of resources is remote.
- iii. Contingent Assets are neither recognized nor disclosed.

Provisions & Contingent Liabilities are disclosed after an evaluation of the facts and legal aspects and the amounts are reviewed at each balance sheet date.

### NOTES FORMING PART OF ACCOUNTS (Part C):

#### 1. Note regarding sale of Subsidiary company:

On 26<sup>th</sup> March, 2013 the Company sold its entire stake in G.G. Dandekar Investments Pte Ltd (GGDIPL). GGDIPL therefore ceased to be a subsidiary of the company. The stake was sold to Casper Trading Ltd. for Euro 1,027,000 equivalent to Rs. 71,277,476/-. The amount was receivable as on 31<sup>st</sup> March 2013 and has been shown under ' Other Current Assets'. The amount was received and credited in the company's bank account immediately after the balance sheet date. The exchange loss of Rs. 4,670,107/- arising on the sale of shares has been shown as exceptional item. It may also be noted that the company has agreed to waive an amount of Rs.1,511,440/-receivable from GGDIPL and is in the process of obtaining the requisite approval. Pending approval, a provision has been made for this amount and disclosed as an exceptional item.

#### 2. Contingent Liabilities not provided for:

(Amount in Rs.)

Sr. No.	Particulars	As at 31.03.2013	As at 31.03.2012
A.	Disputed Income Tax Liability (A.Y.2005-2006)	39,434,222/-	39,434,222/-
B.	Disputed Sales Tax Liability ( F.Y. 2007-2008)	178,345/-	178,345/-
C.	The Company had sold some of its Land in 2006 – 07. Out of the said property, there is dispute regarding Plot No. 62. The decision is pending from the Special Suit before the Civil Judge Sr. Division, Thane. If the outcome of the decision is against the Vendor, the sale stands cancelled and company stands to indemnify the vendor for the cost, loss and damages, except taxes, if any. The amount in respect thereof is not ascertainable.		

3. The Company is in communication with its suppliers to ascertain the applicability of the provisions of "The Micro, Small and medium Enterprises Development Act, 2006". As on the date of this Balance Sheet, the Company has not received any communication from any of its suppliers regarding filing of necessary memorandum with the appointed authority. In view of this, information as required u/s 22 of the said Act is not given.
4. The Company has single product, namely "Food Processing Machinery". Consequently, there are no Reportable Segments of the Company as per the Accounting Standard (AS) 17- "Segment Reporting" as prescribed by Companies' (Accounting Standards) Amendment Rules, 2007.
5. In cases where letters of confirmation have been received from parties, book balance have been generally reconciled and adjusted, if required. In other cases, balance in accounts of sundry debtors, sundry creditors and advances or deposits have been taken as per books of account.
6. During the financial year 2012-13, the company has entered into an 'agreement to sale' for a portion of its land at Bhiwandi. As per the terms of the agreement the company is to sell 1.56 acres of its land for a consideration of Rs. 50,000,000/-. The company has received an advance of Rs. 30,100,000/- during the financial year and the transaction is likely to be completed by the end of July 2013.
7. As required by Accounting Standard (AS 22) "Taxes on income issued by The Institute of Chartered Accountants of India, which is mandatory in nature, the company has recognized deferred taxes, which result from timing differences between book profits and tax profits for the year aggregating Rs. 18,861,187/- has been charged in the Profit and Loss Account, the details of which are as under:

(Amount in Rs.)

Particulars	As at 01.04.2012	Arising During the year	As at 31.03.2013
<b>Deferred Tax Assets</b>			
Disallowance u/s 35DDA of Income Tax Act, 1961	10,461,630	(10,461,630)	Nil
Disallowance u/s 43B of Income Tax Act, 1961	(574,910)	13,620,649	13,045,739
Disallowance on brought forward losses	Nil	17,440,311	17,440,311
<b>Total</b>	<b>9,886,720</b>	<b>20,599,330</b>	<b>30,486,050</b>
<b>Deferred Tax Liabilities</b>			
On account of timing differences in Depreciation	826,429	1,738,143	2,564.572
<b>Total</b>	<b>826,429</b>	<b>1,738,143</b>	<b>2,564.572</b>
<b>Grand Total</b>	<b>9,060,291</b>	<b>18,861,187</b>	<b>27,921,478</b>

8. Related parties, as defined under clause 3 of Accounting Standard (AS 18) "Related Party Disclosure" issued by the Institute of Chartered Accountants of India.

1) Key Management Personnel:

A. Jeetendra M Shende - Executive Director  
(Till 08.01.2013)

Relatives of Key Management Personnel:

Wife- Nilima J. Shende

Son- Shantanu J. Shende

B. Pranav V Deshpande - Executive Director  
(From 08.01.2013 till date)

Relatives of Key Management Personnel:

Wife- Vaidehi P. Deshpande

Daughter- Ovee P. Deshpande

2) Enterprise in which Directors are interested: N.A.

3) Subsidiary Company- G. G. Dandekar Investments Pte. Ltd. (till 26<sup>th</sup> March, 2013)

Details of transactions during the year with Related Party.

(Amount in Rs.)

Sr. No.	Particulars	Key Management Personnel	Enterprise in which Directors are interested	Subsidiary company
1	Purchase of Services	NIL	NIL	NIL
2	Managerial Remuneration:	NIL	NIL	NIL
	Jeetendra M. Shende	2,057,355	NIL	NIL
	Pranav V. Deshpande	340,984	NIL	NIL
3	Outstanding Balances included in:			
a)	Commission payable	NIL	NIL	NIL
b)	Sundry Creditors	NIL	NIL	NIL
c)	Loans & Advances	NIL	NIL	NIL



## G. G. DANDEKAR MACHINE WORKS LIMITED

### 9. Define Benefit Plans for Employees (AS 15):

A] As per actuarial valuation as on March 31, 2013 and recognised in financial statements in respect of Gratuity Schemes:

Sr. No.	Particulars	₹	₹
		F.Y. 2012-13	F.Y. 2011-12
<b>I</b>	<b>Components of Employer expenses</b>		
A	Current service cost	261,847	372,422
B	Interest Cost	203,683	197,515
C	Expected Return on Plan Assets	374,526	(483,052)
D	Actuarial (Gain) / Loss	221,310	(390,711)
E	Total Expense recognised in the Profit and Loss Account	312,314	6,091,155
<b>II</b>	<b>Change in Gratuity Obligation during the year</b>		
A	Present Value of Obligation as at 31 <sup>st</sup> March 2012	2,396,268	21,985,281
B	Current Service Cost	261,847	372,422
C	Interest Cost	203,683	197,515
D	Actuarial (Gain) / Loss	176,772	(375,374)
E	Benefits Paid	0	0
F	Present Value of Obligation as at 31 <sup>st</sup> March 2013	3,038,570	2,396,268
<b>III</b>	<b>Changes in Fair value of Plan Assets</b>		
A	Present Value of Plan Assets as at 31 <sup>st</sup> March 2012	4,048,932	10,237,094
B	Expected Return on Plan Assets	374,526	483,052
C	Actual Company Contribution	0	19,492,006
D	Benefits Paid	0	0
E	Actuarial (Gain) / Loss	(44,538)	15,337
F	Present Value of Obligation as at 31 <sup>st</sup> March 2013	4,378,920	4,048,932
<b>IV</b>	<b>Actuarial Assumption</b>		
A	Discount Rate	8.30%	8.50%
B	Expected Rate of Return	5.00%	5.00%
C	Rate of Return on Plan Assets	9.25%	9.25%
D	Expected Average remaining working lives of employees (Years)	21.19	21.63

As per the actuarial valuation the Company should have accounted for an asset of Rs. 1,340,350/- since the present value of obligation is lower than the fair value of assets by that amount. However, the Company has noticed certain inconsistency between the report of actuarial valuation and details provided by the LIC, which maintains a Gratuity Fund of the Company, and therefore, as a matter of prudence the Company has decided not to recognise the asset till the inconsistency is addressed.

B] As per actuarial valuation as on March 31, 2013 and recognised in financial statements in respect of Leave Wages :

Sr. No.	Particulars	₹
<b>I</b>	Present Value of obligation	890,375
<b>II</b>	Fair Value of Plan Assets	0
<b>III</b>	Asset / (Liability) recognised in the Balance Sheet	(890,375)

## a) Details of Raw Material consumed

Sr. No.	Particulars	2012-13		2011-12	
		Qty.	₹	Qty.	₹
i.	Iron and Steel Materials	260.31 MT	42,144,283	195.18 MT	31,662,280
ii.	Wood	9200.09 MT	4,245,492	6823.56 MT	3,210,575
iii.	Ball Bearing	3871 Nos.	2,345,102	2713 Nos.	14,99,958
iv.	Electric Motors and Spares	639 Nos.	4,482,349	642 Nos.	61,89,162
v.	Bought Out Finished Goods	1082 MT	17,148,581	644 MT	1,01,95,161
vi.	Others		2,943,007		22,47,888
Vii.	Stores	40933 Nos.	3,712,006	44354 Nos.	37,09,554
	<b>Total</b>		<b>77,020,881</b>		<b>58,714,578</b>

## b) Stock of Finished goods

Particulars	Rice Mills (Nos.)	
	2012-13	2011-12
Opening Stock of goods Produced as on 01.04.2012	1	1
Closing Stock of goods produced as on 31.03.2013	0	1

## c) Details of Licensed Capacity and Actual Production

Sr. No.	Particulars	Capacity in Nos.		Actual Production Nos.	
		Licensed Capacity	Installed Capacity	2012-13	2011-12
1	Rice Mills	12	12	4	10
2	Modern Pre-cleaners, Loose Machine and R.R. Shellers	400	400	323	194

## d) Value of Import (CIF Basis)

(Amount in Rs.)

Particulars	2012-13	2011-12
Raw Material	11,844,872	Nil

## e) Expenditure in Foreign Currency during the Financial year on account of

(Amount in Rs.)

Particulars	2012-13	2011-12
Professional Fees	45,880	65,784

## f) Value of Material Consumed

(Amount in Rs.)

Sr. No.	Particulars	2012-13	2011-12
I	Value of Imported Materials Consumed (including purchased locally)	11,844,872	0
II	Value of Indigenous Materials Consumed	65,176,009	58,714,578
III	Percentage of Imported Materials consumed to total consumption	15.38%	0%
IV	Percentage of Indigenous Materials consumed to total consumption	84.62%	100%

## G. G. DANDEKAR MACHINE WORKS LIMITED

### g) Foreign Currency Income

(Amount in Rs.)

Particulars	2012-13	2011-12
Value of Exports on F.O.B. Basis	0	14,704,240

### h) Details of Turnover

(Amount in Rs.)

Particulars	2012-13			2011-12		
	Qty	Unit	Sales Value	Qty	Unit	Sales Value
Rice Mill Machinery (Complete)	4	Nos.	27,152,469	10	Nos.	60,840,012
Loose Machinery and Spares	323	Nos.	120,739,848	234	Nos.	70,539,866

### 11. Earnings Per Share (EPS):

Earnings Per Share (EPS) calculated in accordance with Accounting Standards 20 issued by the Institute of Chartered Accountants of India.

Particulars	2012-13	2011-12
Profit After Tax (Rs.)	48,701,428	(78,347,656)
Weighted average number of Equity shares of Re. 1 each	4,761,387	4,761,387
Basic & Diluted EPS (Rs.)	10.23	(16.45)

### 12. Writing off inventory:

The company has certain inventory of imported raw materials (components) and machines. Machines have been held for the purpose of trading. It was observed that performance of the machines was not satisfactory and the company experienced rejection from the customers. Performance of raw material items was also not satisfactory. In view of this, the company carried out a detailed technical analysis of these items in the last quarter of the year. The technical analysis revealed that due to technological obsolescence, performance of the machines was significantly affected and hence they were not in a usable condition. Due to technological obsolescence, lack of salability and continuous negative feedback from customers, it was decided to discontinue sale of the machines/ components. Consequently, the machines/components have been brought to their realizable value by writing off an amount of Rs 27,538,921/- (Rs.24,233,433/- for machines and Rs.3,305,288/- for components). The amount has been shown as an exceptional item.

### 13. Borrowing Cost:

The total amount of borrowing cost capitalized during the year is Rs.16,588,390/-.

### 14. Previous year's figures have been regrouped and /or rearranged wherever necessary.

For and on behalf of the Board of Directors

Place: Pune  
Date: 28.05.2013

Jayata Dashottar  
Company Secretary

Pankaj A. Parkhi  
Sr. Manager -Finance

Pranav V. Deshpande  
Executive Director

Nihal G. Kulkarni  
Vice-Chairman

**Balance Sheet Abstract and Company's General Business Profile pursuant to Part IV of Schedule VI to the Companies Act,1956****1 Registration Details**

Registration No.	2869
State Code	11
Balance Sheet Date	31.03.2013

**2 Capital raised during the year (Amount in Rupees Lacs)**

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placements	Nil

**3 Position of mobilization and deployments of funds: (Amount in Rupees Thousands)**

Total Liabilities	403,138.97
Total Assets	403,138.97

**Source of Funds:**

Paid up capital	4,761.39
Share Money Pending Allotment	Nil
Reserves and Surplus	273,960.95
Secured Loans	82,521.87
Unsecured Loans	Nil
Deferred Tax Liability	2,564.57
Current Liability	80,053.96

**Application of Funds:**

Net Fixed Assets	184,526.84
Investments	46,994.54
Current Assets	137,296.93
Deferred Tax Asset	30,486.05

**4 Performance of company (Amount in Rupees Thousands)**

Turnover (Sales plus Other Income)	153,198.56
Total Expenditures	116,431.32
Profit / (Loss) Before Tax	36,767.24
Profit / (Loss) After Tax	48,701.43
Earnings per Share (₹)	10.23

**5 Products of the company: Post Harvest Grain Processing Equipments**

1. Paddy Cleaning, Processing, and Rice Milling Machinery and Grading Equipments
2. Dal Mill

**Notes:** 1) The above particulars should be read along with the Balance Sheet as at 31 March 2013, the Profit and Loss Account for the year ended on the date and schedule forming part thereof.

2) The total liabilities also includes share capital of Rs. 47.61 lacs and Reserves and Surplus of Rs. 2739.61 lacs.

## **G. G. DANDEKAR MACHINE WORKS LIMITED**

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Dear Shareholder,

**Subject: Green Initiative - Registration of E-mail address**

The Ministry of Corporate Affairs, (MCA) had taken a "Green Initiative in the Corporate Governance" vide its Circular Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011, respectively and had permitted the companies to serve the documents viz. Annual reports, notices of general meetings / postal ballot, other documents etc. to the shareholders through electronic mode.

SEBI, vide its circular ref. No. CIF/CFD/DIL/2011 dated 5th October 2011, has directed listed companies to supply soft copies of full Annual Reports to all those shareholders who have registered their email addresses.

Your Company, being dedicated towards preserving and protecting environment, continuously seeks opportunities to reduce adverse impact on the planet. In order to continue our support for this year also towards "Green Initiative," your Company has decided to have paperless documentation to the maximum possible extent by forwarding the above referred documents to you through electronic mode. This will also ensure prompt receipt of communication and avoid loss in postal transit.

We therefore request you to register your E-mail address and / or changes therein from time to time with the Company at [ir@ggdandekar.com](mailto:ir@ggdandekar.com), in case you are holding shares in physical mode by filling up the form appearing on reverse of this communication and with your Depository Participant (DP), in case you are holding shares in dematerialized mode.

In case you require physical copies of Annual Reports and other documents, you may send an email at [ir@ggdandekar.com](mailto:ir@ggdandekar.com) or write to the Company's R & T Agent viz. Link Intime India Private Limited at 'Akshay Complex, Block No. 202, 2nd floor, Off Dhole Patil Road, Pune 411 001, by quoting the name of first/sole shareholder, Folio no. / DP ID and Client ID. The above documents will be sent to you free of cost.

We request your whole-hearted support to this "Green Initiative" by opting for electronic mode of communication.

Yours faithfully,

For G. G. Dandekar Machine Works limited

Jayata Dashottar  
Company Secretary

Place: Pune  
Date: 28<sup>th</sup> May 2013

## REGISTRATION OF E-MAIL ADDRESS FORM

(In terms of circular Nos.17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011, respectively issued by Ministry of Corporate Affairs)  
( For shares in physical mode)

**Link Intime India Private Limited**

(Unit: G. G. Dandekar Machine Works Limited)  
Akshay Complex, Block No.202,  
Near Ganesh Temple, Off Dhole Patil Road,  
Pune - 411 001

I/We shareholder(s) of G. G. Dandekar Machine Works Limited hereby accord my/our approval to receive documents viz. annual reports, notices of general meetings/postal ballot and such other documents that Ministry of Corporate Affairs may allow, to be sent in electronic mode.

I/We request you to note my/our latest e-mail address, as mentioned below. If there is any change in the E-mail address, I/We will promptly communicate the same to you. I/We attach the self attested copy of PAN Card / Passport towards identification proof for the purpose of verification.

Folio No.	
Name of first/sole shareholder	
Name of joint shareholder(s), if any	
Registered Address	
E-mail address (to be registered)	

Place:

Date:

\_\_\_\_\_  
(Signature of Shareholder)

Note: This form is available on Company's website [www.ggdandekar.com](http://www.ggdandekar.com)

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(For Shares in dematerialized mode)

You are requested to register your E-mail address and/or changes therein from time to time with your Depository Participant.

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**G. G. DANDEKAR MACHINE WORKS LIMITED**

Regd. Office: 211/A, MIDC, Butibori Industrial Area, Village Kinhi, Tal. Hingana, Dist. Nagpur – 441 122 (India).

**ATTENDANCE SLIP**

**Annual General Meeting on Wednesday, 31<sup>st</sup> July 2013 at 11.30 A.M.**

Ledger Folio No./ DP Id and Client Id : .....

Full Name of the Shareholder (in Capital) : .....

I Certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the Annual General Meeting of the Company at 211/A, MIDC, Butibori Industrial Area, Village Kinhi, Tal. Hingana, Dist. Nagpur – 441 122 (India), on Wednesday, 31<sup>st</sup> July 2013 at 11.30 A.M.

Shareholder's / Proxy's Signature : .....

Proxy's full name (in Capital) : .....

**Note: Please fill in this Attendance Slip and hand it over at the entrance of the Hall.**

----- **TEAR HERE** -----

**G. G. DANDEKAR MACHINE WORKS LIMITED**

Regd. Office: 211/A, MIDC, Butibori Industrial Area, Village Kinhi, Tal. Hingana, Dist. Nagpur – 441 122 (India).

**PROXY FORM**

I / We .....

L.F. No. / DP Id and Client Id.....of ..... being member /

members of G. G. Dandekar Machine Works Limited do hereby appoint ..... of

.....or failing him / her..... of

..... as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at

the Annual General Meeting of the Company to be held at 211/A, MIDC, Butibori Industrial Area, Village Kinhi, Tal. Hingana, Dist.

Nagpur – 441 122 (India), on Wednesday, 31<sup>st</sup> July 2013 at 11.30 A.M. and at any adjournment /(s) thereof.

In witness whereof, I / We have set my / our hand(s) on this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Please affix  
One Rupee  
Revenue  
Stamp

(Signature of the member across the stamp)

**Note: This form, in order to be effective, should be completed, duly signed, stamped and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.**



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